



**LEGISLATIVE
FISCAL BUREAU**

STATE OF WISCONSIN

JANUARY 2023

Informational Paper #72

Environmental Improvement Fund

Environmental Improvement Fund

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Environmental Improvement Fund

Introduction

The environmental improvement fund (EIF) comprises two active programs: the clean water fund program, and the safe drinking water loan program. A third subprogram, the land recycling loan program, has not been active since 2008. The programs provide financial assistance for wastewater treatment, and drinking water projects. This paper describes the programs, financial assistance criteria, components of the loan and grant programs, special provisions and program administration.

The clean water fund program was enacted in 1987 Wisconsin Act 399 to provide financial assistance to municipalities for the planning and construction of surface water and groundwater pollution abatement facilities, primarily for municipal wastewater treatment. The clean water fund began providing assistance to municipalities in 1991.

The clean water fund administers financial assistance through a combination of federal and state funding sources. The state may also provide assistance to proprietary projects and exceed the federal financial commitment to surface water pollution abatement assistance. As of June 30, 2022, the clean water fund program had entered into 1,146 financial assistance agreements with municipalities totaling \$5.6 billion.

The safe drinking water loan program was enacted in 1997 Wisconsin Act 27 to provide financial assistance to municipalities for the planning, design, construction or modification of public water systems, if the projects will facilitate compliance with national primary drinking water regulations under the federal Safe Drinking Water Act Amendments of 1996 (SDWA) or otherwise significantly further the health protection objectives of the Act. The safe drinking water loan program

began providing assistance in 1998. As of June 30, 2022, the safe drinking water loan program had entered into 551 financial assistance agreements totaling \$1.0 billion.

Table 1 shows project funding for each program within the environmental improvement fund, including the inactive land recycling loan program. The table shows the amount of financial assistance agreements entered into for each program by biennium. Table 1 also shows the estimated project demand for the 2023-25 and 2025-27 biennia, as estimated by the Departments of Natural Resources (DNR) and Administration (DOA) in September, 2022.

The clean water fund program and the safe drinking water loan program receive federal capitalization grants for a state revolving loan fund, for which Wisconsin provides a 20% match. The state's match is provided through revenue obligation bonds, with debt service paid through loan repayments.

Prior to 2016, the state match for the clean water fund federal grant was made through issuance of general obligation bonds, with debt service costs primarily paid by general purpose revenues (GPR) and interest on program loan repayments from the segregated clean water fund. Effective in 2016, the state modified the clean water fund program to provide the state match through issuance of revenue obligation bonds. The clean water fund program also provides funds for financial assistance through repayments of prior clean water fund loans. Prior to 2019, the state match for the safe drinking water loan program was provided with general obligation bonds, with debt service costs paid by GPR. 2019 Wisconsin Act 9 modified the safe drinking water loan program to provide the state match through revenue obligation bonds.

Table 1: Environmental Improvement Fund, Financial Assistance Agreements by Biennium (\$ in Millions)

Biennium	Clean Water Fund Program	Safe Drinking Water Loan Program	Total
1989-91	\$152.6		\$152.6
1991-93	395.9		395.9
1993-95	206.7		206.7
1995-97	247.3		247.3
1997-99	235.1	\$53.0	288.1
1999-01	207.3	19.8	227.2
2001-03	469.3	20.0	489.6
2003-05	251.9	74.6	326.5
2005-07	383.6	42.9	426.5
2007-09	504.4	73.2	574.9
2009-11	459.6	88.9	548.5
2011-13	392.0	83.1	475.1
2013-15	266.1	96.4	362.5
2015-17	295.3	95.9	391.3
2017-19	267.8	115.3	383.1
2019-21	587.2	160.4	747.6
2021-22*	279.6	104.0	383.6
2023-25**	847.6	232.0	1,079.6
2025-27**	1,044.4	275.7	1,320.1

* Actual 2021-22. Additional financial assistance agreements will be entered into during 2022-23. DNR and DOA estimated project needs during the 2021-23 biennium as \$799.6 million for CWF and \$282.2 million for SDW projects.

** DNR and DOA estimated project need in the September, 2022, biennial finance plan.

State GPR debt service costs for the environmental improvement fund general obligation bonds were \$8.4 million in 2020-21 and \$8.3 million in 2021-22, and are budgeted at \$6.5 million in 2022-23. In addition, the state is scheduled to pay \$7.0 million SEG in 2022-23 from clean water fund program loan repayments for such debt service.

DOA administers certain aspects of the financial management of the environmental improvement fund and DNR administers all other loan and grant provisions. The environmental improvement

fund programs are authorized by statute under s. 281.58 through s. 281.625 and s. 234.86, and administered through Chapters NR 162, NR 166, NR 167 and ADM 35 of the administrative code.

Other informational papers prepared by the Legislative Fiscal Bureau discuss additional aspects of the state's efforts to provide financial assistance to address surface water pollution concerns. (See the Legislative Fiscal Bureau's informational papers entitled, "Private Onsite Wastewater Treatment System Grant Program" and "Nonpoint Source Pollution Abatement.")

CLEAN WATER FUND PROGRAM

Clean Water Fund Overview

Background

The clean water fund (CWF) was created by 1987 Wisconsin Act 399 to provide financial assistance for the planning and construction of municipal wastewater treatment facilities. The program was created in response to the federal Water Quality Act of 1987, which appropriated federal capitalization grants for state-managed revolving loan programs.

The program underscored a national shift in environmental goals. Beginning in the 1970s, federal and state government provided grants to municipalities to construct wastewater treatment facilities with the goal of ensuring that surface waters would be "swimmable and fishable." Between 1972 and 1988, the percent of Wisconsin's waterways that met this standard rose from 21% to 95%. As water quality improved, state and federal government developed more stringent standards on waste that could be discharged into state waters, focusing on pollution prevention, rather than remediation.

Facilities discharging waste to state waters are required to operate under a Wisconsin pollutant discharge elimination system (WPDES) permit issued by DNR. These permits establish requirements a municipality must meet for each point source of pollution. The clean water fund program provides the largest source of state and federal financial assistance to municipalities to proactively plan and construct treatment works to comply with effluent limits in their WPDES permits.

Funding

The federal Water Quality Act of 1987 makes grants available to states for a state revolving loan fund. The individual states that choose to participate receive a percentage of the total federal funds available each year. These funds can then be loaned by the states to municipalities to use for water quality planning and pollution abatement projects. These funds are termed "revolving" because of federal requirements that municipal repayments of these loans must be deposited back into the fund, thus providing a source of future loans for other municipalities.

To receive federal capitalization grants, the state must contribute an amount equal to at least 20% of the federal grant amount. The program was originally structured to provide the state match through general obligation bonds. Since federal fiscal year 2016, provision of the state match is provided from environmental improvement fund revenue obligation bonds.

General Purposes for Assistance

The clean water fund program may provide financial assistance to municipalities for three general purposes. "Municipality" means any city, town, village, county, utility district, town sanitary district, public inland lake protection and rehabilitation district, metropolitan sewerage district, or tribe. Eligible purposes include sewage treatment, nonpoint source pollution abatement, and developing a national estuary conservation plan.

Financial assistance in Wisconsin has primarily been awarded to sewage treatment projects. These include planning, designing, constructing,

replacing or maintaining a treatment facility, defined as any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or liquid industrial waste, including intercepting sewers, outfall sewers, and sewage collection systems.

Nonpoint source pollution is water pollution not attributable to a single, well-defined point of origin but that is carried by rainfall or snowmelt from a variety of sources, such as from storm water runoff, farm fields, barnyards, construction sites, highways, city streets, and parking lots. Currently, state financial assistance for the abatement of nonpoint source pollution is primarily provided by a separate program. (See the Legislative Fiscal Bureau's informational paper entitled, "Nonpoint Source Pollution Abatement.")

While the statutes authorize CWF financial assistance to be used to develop a conservation plan related to the national estuary program established under the federal Water Quality Act of 1987, the program has not yet provided assistance for this purpose. For Wisconsin, Great Lakes estuaries (the portions of the Great Lakes that extend inland to meet the mouth of a river) could become eligible for federal assistance.

Appendix I provides a glossary of key terms related to wastewater treatment. Appendix II includes a description of wastewater treatment systems. Appendix III describes the biennial finance planning process for environmental improvement program projects.

Project Eligibility and Priority

Eligible Types of Projects

DNR and DOA are authorized to provide financial assistance for the following types of projects:

Compliance Maintenance. Projects to prevent a significant violation of an effluent limitation by a municipal sewage treatment facility.

New or Changed Limits. Projects to achieve compliance with an effluent limitation that is new or is changing, if the project is for a municipality that is not a violator of the specific limit that is changing. For example, if the limit for ammonia discharge is changing, and a municipality is complying with its existing permit with regard to ammonia, it is not considered a violator for the purposes of this eligibility requirement.

Unsewered Communities. Projects to provide treatment facilities and sewers for unsewered areas.

Nonpoint and Storm Water. Projects to prevent or treat nonpoint source pollution or urban storm water runoff.

Violator. Projects to plan, design, construct or replace treatment works that violate effluent limitations contained in an existing permit. A "violator" is a municipality not in substantial compliance with the enforceable requirements of its discharge permit, for a reason that the DNR determines is within the control of the municipality.

Pilot Projects. Projects that are consistent with federal requirements for nontraditional wastewater treatment projects that help municipalities meet water quality requirements consistent with the federal Clean Water Act. DNR anticipates that this might include projects identified in adaptive management plans. Adaptive management programs are intended to allow multiple entities to collaboratively meet water quality standards by focusing funding and activities on sources whose contributions of a particular pollutant or pollutants can be reduced or eliminated most cost-effectively. For example, point sources, such as wastewater treatment plants or industrial facilities, may have discharges that can be identified and monitored, but pursuing additional reductions

may be technologically difficult and significantly expensive. At the same time, point sources may be able to work with nearby nonpoint sources that may have relatively fewer pollution controls and, therefore, may be able to manage their runoff with more basic, lower-cost practices to help meet overall water quality standards for area waters.

Criteria Used to Prioritize Projects

Chapter NR 162 of the administrative code establishes a priority ranking system to score each project. The system ranks projects in the event funding is not available for all requested projects in a given year. NR 162 specifies that projects shall be scored under one of the following three categories: (a) sewage collection systems; (b) wastewater treatment plants; or (c) storm water projects. Sewage collection systems and wastewater treatment plants receive the highest number of priority points for projects DNR determines are necessary to prevent a municipality from significantly exceeding an effluent limitation in a wastewater discharge elimination permit. Projects also receive a higher number of points if they eliminate human health hazards, install sewers in previously unsewered areas, result in increased regionalization of wastewater treatment, or are storm water projects in municipalities that have a storm water discharge permit.

The administrative rule specifies that DNR shall establish criteria and associated points for various water quality parameters in the annual clean water fund intended use plan, which is submitted to the United States Environmental Protection Agency (EPA) in order to receive federal funding for the program. Points are assigned to a project based on the current facility effluent limits for various water quality parameters for biochemical oxygen demand, total suspended solids, phosphorus, and other effluent types. For example, a project that has a more stringent (lower) effluent

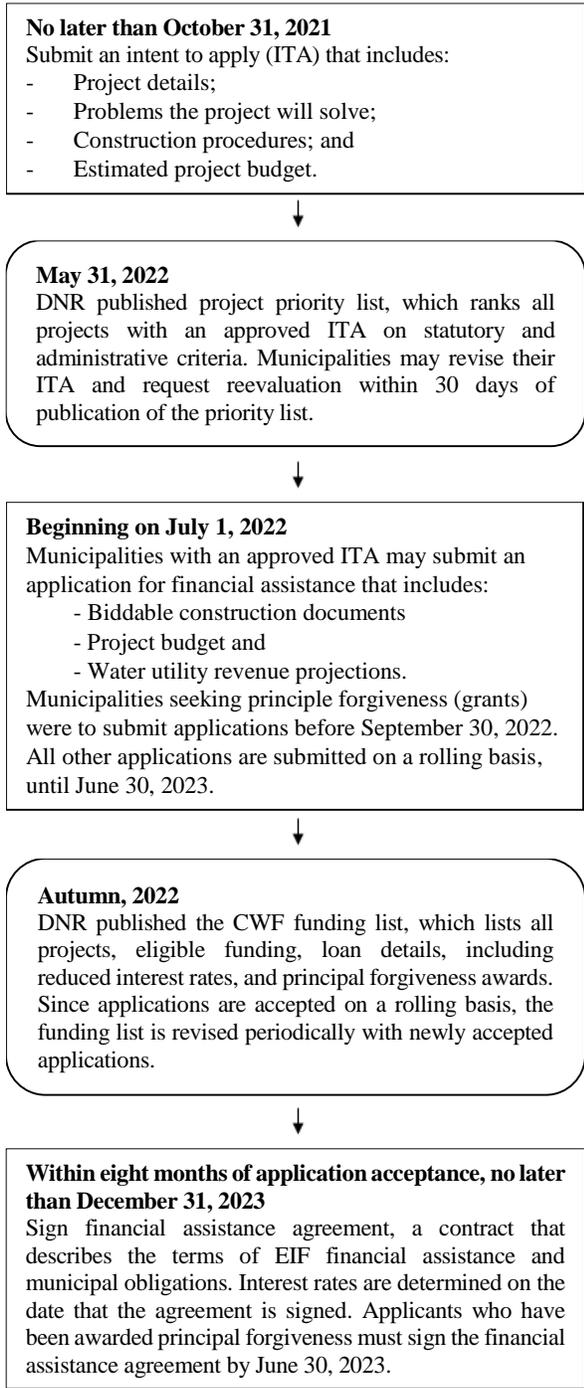
limit for a substance would receive a higher score than a project that has a higher limit. Effective for projects funded starting in 2020-21, DNR modified criteria in the intended use plan to provide additional priority points for projects that result in a regionalized wastewater treatment plant, if regionalization would increase the capacity needs of a receiving wastewater treatment plant.

Revised Contaminant Limits. Projects needed to maintain compliance with existing permit limitations receive the highest priority score. Over several years, federal and state requirements for contamination limits for both drinking water and surface water have become more stringent and have included contaminants not previously regulated. In response, DNR promulgates new or revised administrative rules for groundwater and surface water establishing new or modified limits for toxic substances, heavy metals, and other contaminants. To assist municipalities in achieving compliance with newly added permit limitations for substances such as toxics, the program gives these project types priority second only to compliance maintenance projects when assigning priority scores.

Application Process

The application process and deadlines for projects seeking financial assistance in 2022-23 are outlined in Figure 1. Projects are funded on a continuous funding cycle. A municipality may not submit more than one application for any single project in any 12-month period, except for applications to amend a previously approved financial assistance agreement. For years when funds are available for principal forgiveness, applications for principal forgiveness are due by September 30 of the fiscal year in which financial assistance is being requested. Municipalities are required to submit applications using the DNR online application system.

**Figure 1: CWF Application Procedures
Fiscal Year 2022-23 Funding Cycle**



Key:

Applicant actions

DNR actions

Financial Assistance Criteria

Types of Financial Assistance

Under the clean water fund program, municipalities may receive financial assistance in the form of loans, refinancing, guarantees, purchase of insurance, credit enhancement or grants, as follows:

- a. Loans at or below market interest rates.
- b. The purchase or refinancing of the debt obligation of a municipality incurred for municipal treatment facilities that would otherwise be eligible under the clean water fund program.
- c. The guarantee or purchasing of insurance for municipal obligations for the construction or replacement of a treatment facility if the guarantee or insurance would improve a municipality's access to the credit market, or reduce the interest rate the municipality would otherwise receive.
- d. Payments to the Board of Commissioners of Public Lands to reduce principal or interest payments, or both, on loans made to municipalities by the Board for projects that would otherwise be eligible under the clean water fund program.
- e. Principal forgiveness (grant) for a portion of project costs for certain projects financed with federal funds. Eligible projects can receive principal forgiveness of up to 70% of project costs, after market rate costs are deducted, depending on a municipality's population, median household income, county unemployment rate, population trend, and whether a municipality is a Green Tier Legacy Community. Appendix IV lists qualifications for clean water fund project principal forgiveness.

CWF financial assistance is primarily provided through the purchase and refinancing of municipal obligations. Information on local financing requirements and EIF financial administration is discussed in Chapter 4.

Limitations and Conditions on Financial Assistance

Under certain circumstances, eligibility for financial assistance from the clean water fund program is restricted, as indicated below:

Previous Compliance. A municipality is not eligible if it has failed to substantially comply with the terms of a federal or state grant or loan previously received for wastewater collection, transportation, treatment or disposal.

Reserve Capacity. Reserve capacity is extra wastewater system capacity not currently needed, but constructed to take future growth into consideration. To be eligible for financial assistance, except a market-rate loan, the amount of reserve capacity included in a project is limited to the future capacity needed to serve the users expected within the sewer service area of the project 10 years after the project becomes operational. The amount of reserve capacity is also limited to the future capacity required to serve the need expected to exist outside of the sewer service area of the project area for septage that is reasonably likely to be disposed of in the project 10 years after the project becomes operational.

Future Development. Public sanitary sewer mains, interceptors and individual systems that exclusively serve future development are not eligible.

Most Cost-Effective Alternative. Financial assistance may be provided for a project only if that project is the most cost-effective alternative for the municipality.

Sewer Lines. The connection laterals and sewer

lines that transport wastewater from individual structures on private property to public sewer lines in the street or to onsite treatment systems are not eligible.

Violators. The portion of a project designed to address a WPDES permit violation receives market interest rate loans. The purpose of this restriction is to encourage municipalities to develop plans and begin construction before any pollution limitation violations occur and thus minimize any harmful effects to the environment.

Industrial Wastes. Financial assistance for the portion of a project used to treat industrial wastes may only be provided at the market interest rate.

Length of Loans. The federal Water Resource Reform and Development Act of 2014 (WRRDA), authorizes states to allow 30-year loan agreements if they do not exceed the projected useful life of project components. Under 2017 Wisconsin Act 59, the allowable loan repayment period was extended from no longer than 20 years after the date of the financial assistance agreement, to no longer than 30 years, or the useful life of the project, whichever is less, as determined by DOA. DOA and DNR have agreed that DNR will determine whether a project's useful life equals or exceeds 30 years to determine whether the project will be eligible for a 30-year loan. As of June, 2022, the program has entered into 12 loans with terms greater than 20 years, totaling \$268.8 million.

Local Financial Administration. To be eligible for a clean water fund loan, each municipality must: (a) establish a dedicated source of revenue for repayment of any financial assistance (except grants made under financial hardship or principal forgiveness provisions); (b) pledge any security required by DNR or DOA administrative rules; (c) develop an operation and maintenance program for the treatment facility; and (d) develop a system of user charges in compliance with federal law to ensure that each user of the treatment work pays its proportionate share of the operation and

maintenance costs. (An exemption may be issued for a city or village that imposes a system of charges based on assessed property values, if it is served by a regional wastewater treatment plant operated by a metropolitan sewerage district.)

Limit Per Municipality. No municipality may receive funding that would exceed 35.2% of the total amount that DOA projects will be available to provide financial assistance during the biennium.

Unsewered Communities. Construction projects in unsewered communities receive a reduced interest rate loan only if two-thirds of the initial wastewater flow originating from the area was from residences that were in existence for at least 20 years prior to the submission of the application to DNR. This is known as the "two-thirds rule." Projects for unsewered communities that do not meet this criterion are eligible only for assistance at market interest rates or an equivalent.

Federal Requirements. Federal laws, including WRRDA, the Infrastructure Investment and Jobs Act (IIJA) of 2021, and the Consolidated Appropriations Act of 2022 require CWF financial assistance recipients to adhere to certain federal requirements related to use of accounting standards, prevailing wage payments, use of American iron and steel, cost-effectiveness, and water and energy efficiency.

Additionally, as a condition of receiving federal capitalization grants, DNR must designate a value of financial assistance equal to the value of the federal capitalization grant received as having federal equivalence. Projects designated as having federal equivalence are subject to additional requirements on U.S.-produced construction materials, procurement, bidding and hiring practices, public information, and financial administration. Beginning with projects seeking financial assistance in 2022-23, all CWF-financed projects in municipalities with a population greater than or equal to 20,000 have federal equivalency.

Loan and Grant Programs

The clean water fund program provides financial assistance to municipalities through loans and limited grants from a leveraged revolving loan program. The state's clean water fund program is broader in scope than what is required to meet federal requirements.

Eligible Uses Of Federal Funds. Federal law establishes three categories of eligible uses for federal funds: (a) the construction of publicly-owned treatment works; (b) control of nonpoint source pollution; and (c) national estuary conservation plans.

To be eligible for assistance from the direct loan program, the municipality's project must be: (a) a publicly-owned treatment work; (b) consistent with areawide water quality management plans and nonpoint watershed plans; and (c) on the state's priority list.

The program has entered into 1,146 financial assistance agreements totaling \$5.6 billion as of June 30, 2022. Table 2 shows the amount of financial assistance agreements entered into in every fiscal year between 1990-91 (the first year the program entered into financial assistance agreements) and 2021-22. Table 2 includes the \$15.2 million in financial assistance agreements for land recycling loans described in a later section of this paper. Appendix V lists the total amount of financial assistance agreements provided to municipalities.

The value of financial assistance awarded to projects ranged from \$18,851 and \$138,880,269. The Milwaukee Metropolitan Sewerage District, the largest recipient of clean water fund loans, received \$1,474,886,930 and accounted for 26.3% of the cumulative financial assistance amount as of June 30, 2022.

Table 2: Clean Water Fund Program, Financial Assistance Agreements by Fiscal Year (\$ in Millions)

State Fiscal Year	Grant and Principal Forgiveness	Loan	Total
1990-91	-	\$152.6	\$152.6
1991-92	\$10.2	252.6	262.8
1992-93	20.6	112.5	133.1
1993-94	11.5	78.3	89.8
1994-95	11.6	105.4	116.9
1995-96	14.6	82.7	97.2
1996-97	1.3	148.7	150.0
1997-98	2.0	92.7	94.7
1998-99	24.9	115.5	140.4
1999-00	(0.1)	86.1	86.0
2000-01	0.7	118.8	119.5
2001-02	1.3	268.6	270.0
2002-03	1.5	190.2	191.7
2003-04	0.5	73.9	74.4
2004-05	4.9	170.8	175.7
2005-06	1.7	215.1	216.8
2006-07	1.4	162.7	164.1
2007-08	0.1	277.4	277.5
2008-09	2.8	223.3	226.1
2009-10	104.8*	171.2	276.0
2010-11	2.4	181.3	183.7
2011-12	7.1	220.2	227.3
2012-13	3.9	160.7	164.7
2013-14	5.4	143.9	149.4
2014-15	1.7	115.0	116.8
2015-16	5.8	209.1	214.9
2016-17	20.1	60.3	80.4
2017-18	13.1	126.8	139.9
2018-19	12.3	115.6	127.9
2019-20	19.9	248.4	268.3
2020-21	10.4	308.4	318.8
2021-22	<u>21.0</u>	<u>258.6</u>	<u>279.6</u>
Total	\$339.4	\$5,247.6	\$5,587.0

*Includes grants and principal forgiveness under the federal American Recovery and Reinvestment Act of 2009.

Disbursements. Through June 30, 2022, the CWF had disbursed \$4.87 billion in loans and \$322 million in principal forgiveness. Generally, funding commitments are disbursed over several years. Interest rates have ranged from 0.0% to 5.8%, and the weighted average interest rate for all loans is 2.32%. A total of \$3.07 billion in principal has been repaid, and \$1.04 billion in interest has been paid on CWF loans, as of June 30, 2022.

Loan Interest Rates

The interest rate on a municipality's loan under the clean water fund program is determined by the type of project, the financial capability of the municipality and other special provisions. Projects in municipalities with a low population and lower household income also receive a lower interest rate.

Current law establishes interest rates as a percent of the market interest rate and specifies which project type receives which interest rate. The market rate is the interest rate of state revenue bonds or the interest rate determined by DOA. Table 3 lists the project types by interest rate. DNR and DOA may request the Legislature's Joint Committee on Finance to modify the loan interest rates as a percent of the market rate. However, to date, the agencies have not requested any Committee action. State subsidy for a project is higher if the interest rate paid by a municipal borrower under the program is a lower percent of the market interest rate.

The actual loan interest rate paid by a municipality partly depends on the market rate at the time the financial assistance is allotted to the project. DOA issues a determination of the market interest rate on a quarterly basis. DOA may also make mid-quarter interest rate adjustments in periods of shifting market conditions. Table 4 lists the interest rates in effect since April of 2020. As of January, 2023, the market interest rate for 20-year loans is 3.9%. The market interest rate for loans of terms greater than 20 years is 4.1%

Market-rate loans are provided to the portion of a project: (a) designed to address a WPDES permit violation; (b) serving industrial flow or future growth beyond 10 years; (c) that is an unsewered area not meeting the two-thirds rule; or (d) that is subject to sanctions related to failure to meet certain federal or state Disadvantaged Business Enterprise solicitation requirements.

Table 3: Clean Water Fund Program Loan Interest Rates by Project Type

Project Category	Percent of Market Rate	Effective Rate as of January 2023
Compliance maintenance/New and changed limits	55%	2.15%
Storm water/nonpoint Unsewered	55	2.15
Violator, reserve capacity, industrial flow or unsewered not meeting two-thirds rule	100	3.90
Pilot project	NA	NA
Septage treatment and capacity	0	0.00
Disadvantaged: population <10,000; MHI 80% or less than state MHI	33	1.29
Extremely disadvantaged: population <1,000; MHI 65% or less than state MHI	0	0.00

NA = Not Applicable; MHI = Median household income
 Note: Rates shown for a loan with a 20-year term.

Table 4: Environmental Improvement Fund Market Interest Rates

Effective Dates	20-Year Loans			30-Year Loans		
	Market Rate	33%	55%	Market Rate	33%	55%
4/1/2020*	2.80%	0.92%	1.54%			
3/25/2020 through 9/30/2020	3.20	1.06	1.76	3.40%	1.12%	1.87%
10/1/2020 through 12/31/2020	3.00	0.99	1.65	3.20	1.06	1.76
1/1/2021 through 3/31/22	2.70	0.89	1.49	2.90	0.96	1.60
4/1/2022 through 4/26/2022	3.00	0.99	1.65	3.20	1.06	1.76
4/27/2022 through 6/30/2022	3.70	1.22	2.04	3.90	1.29	2.15
7/1/2022 to present	3.90	1.29	2.15	4.10	1.35	2.26

* In 2020, the second quarter interest rate was announced on March 11, 2020. Pandemic-related uncertainty in bond markets caused DOA to raise the interest rate.

The actual interest rate for a specific project may be a composite of the interest rates listed in Tables 3 and 4. This occurs if the project includes components that are associated with different interest rates. For example, an adjustment is often made for the project costs that are associated with industrial discharges. These costs would be funded at 100% of the market interest rate.

Disadvantaged Municipalities. 2017 Act 59 created two lower interest rate categories for municipalities with low population and income. DNR and DOA use the term "disadvantaged" municipalities for the interest rate category created, which offers 33% of the market rate for

municipalities with: (a) population less than 10,000; and (b) median household income of 80% or less of the statewide level. The program uses the term "extremely disadvantaged" municipalities to provide an interest rate of 0% for municipalities with: (a) population less than 1,000; and (b) median household income of 65% or less of the statewide level. For 2022-23, the program calculated 80% of median household income as \$49,397, and 65% of median household income as \$40,136.

Pilot Project Interest Rates. 2013 Wisconsin Act 7 authorized pilot projects and did not specify what interest rate could be charged. DNR and

DOA designated an interest rate as low as 0% for pilot projects that address water quality issues consistent with the federal Clean Water Act. As of June 30, 2022, the program has not funded any pilot projects.

Septage Management Interest Rates. Projects receive a 0% interest rate for the portion of a loan related to septage receiving, storing and treatment capacity.

Principal Forgiveness

The IJA amended the federal Water Quality Act to require states to provide between 10% and 30% of the federal capitalization grant received in any given year as principal forgiveness. Through June 30, 2022, the CWF has awarded \$339.4 million in principal forgiveness.

The federal Water Resources Reform and Development Act of 2014 required states to consider affordability criteria beginning with state fiscal year 2015-16. Additionally, the IJA requires states to prioritize disadvantaged communities in allocating principal forgiveness. The state 2022-23 intended use plan outlines criteria including household income, unemployment data, family poverty level, and population trends to allocate principal forgiveness to projects.

In 2022-23, \$51,797,000 is available for principal forgiveness, including \$15,707,800 that was unused from the 2021-22 capitalization grant. This amount will be divided between priority project categories including phosphorus reduction, energy efficiency, and regionalization projects, as well as projects in disadvantaged municipalities. Prior to 2022-23, no municipality could receive more than \$750,000 in principal forgiveness, with the exception of regionalization projects. Beginning in 2022-23, the principal forgiveness cap is increased to \$2,000,000. Principal forgiveness qualifications are described in Appendix IV.

Program Funding

The federal Water Quality Act of 1987 makes grants available to states for a state clean water revolving loan fund. To receive the federal grants, states must provide a 20% match. Additionally, states are required to follow federal laws regulating use of the funds. One of the primary federal regulations requires that the fund be maintained in perpetuity. In practice, this means that loan repayments and interest, as well as investment earnings of the fund, be deposited into the fund and used only to provide financial assistance and other approved program costs.

Federal Funding

In the Water Quality Act of 1987, Congress authorized initial funding with federal capitalization grants for state revolving loan programs for the period from federal fiscal year (FFY) 1989 through 1994. Wisconsin has received 2.7342% of the total available capitalization grant funds nationwide since 1989.

Table 5 lists federal capitalization grants and annual appropriations received to date, including: (a) federal grants for loans to municipalities; (b) federal funds provided for grants or principal forgiveness; (c) the amount used for administration; and (d) the required 20% state match provided.

State Match

The state issues environmental improvement fund revenue bonds for the required 20% match and to provide capital to make loans to municipalities for eligible projects. Revenue bond proceeds also pay bond issuance and administrative expenses associated with issuance of the bonds.

Prior to 2016, the state match was provided through general obligation bonds. General obligation bonds are repaid from the state's general fund

Table 5: Federal Direct Loan Program - Federal Grants and State Match

Fiscal Year		Federal Funding				State Match	Federal and State Total
Federal	State	Loans	Grants and Principal Forgiveness	Administration	Subtotal Federal		
1989	1990	\$24,479,500		\$1,020,000	\$25,499,500	\$5,099,900	\$30,599,400
1990	1991	25,398,100		1,058,300	26,456,400	5,291,300	31,747,700
1991	1991	53,437,900		2,226,600	55,664,500	11,132,900	66,797,400
1992	1993	50,427,000		2,101,100	52,528,100	10,505,600	63,033,700
1993	1994	49,883,600		2,078,500	51,962,100	10,392,400	62,354,500
1994	1995	30,952,100		1,289,700	32,241,800	6,448,300	38,690,100
1995	1996	31,966,900		1,332,000	33,298,900	6,659,800	39,958,700
1996	1997	52,362,700		2,181,800	54,544,500	10,908,900	65,453,400
1997	1998	16,175,000		674,000	16,849,000	3,369,800	20,218,800
1998	1999	34,947,800		1,456,200	36,404,000	7,280,800	43,684,800
1999	2000	38,382,500		1,599,300	39,981,800	7,996,400	47,978,200
2000	2001	34,832,300		1,451,300	36,283,600	7,256,700	43,540,300
2001	2002	34,522,500		1,438,400	35,960,900	7,192,200	43,153,100
2002*	2003	34,681,800	\$1,355,800	1,441,600	37,479,200	7,224,700	44,703,900
2003	2004	34,456,800		1,432,300	35,889,100	7,229,200	43,118,300
2004	2005	34,395,400		1,433,100	35,828,500	7,165,700	42,994,200
2005	2006	27,966,700		1,165,300	29,132,000	5,826,400	34,958,400
2006	2007	22,726,900		947,000	23,673,900	4,734,800	28,408,700
2007	2008	27,777,400		1,157,400	28,934,800	5,787,000	34,721,800
2008	2009	17,660,700		735,900	18,396,600	3,679,300	22,075,900
2009**	2010	17,660,600	103,748,300	2,716,800	124,125,700	3,679,300	127,805,000
2010	2011	44,630,000	8,249,700	2,203,300	55,083,000	11,016,600	66,099,600
2011	2012	34,624,800	3,699,300	1,596,800	39,920,900	7,984,200	47,905,100
2012	2013	33,494,500	3,185,200	1,528,300	38,208,000	7,641,600	45,849,600
2013	2014	32,542,800	2,550,200	1,000,000	36,093,000	7,218,600	43,311,600
2014	2015	33,810,900	3,094,100	1,000,000	37,905,000	7,581,000	45,486,000
2015	2016	24,350,400	11,313,300	2,047,300	37,711,000	7,542,200	45,253,200
2016	2017	19,601,300	14,448,400	2,071,300	36,121,000	7,224,200	43,345,200
2017	2018	18,707,700	14,337,200	2,798,100	35,843,000	7,168,600	43,011,600
2018	2019	23,690,000	17,356,800	2,345,200	43,392,000	8,678,400	52,070,400
2019	2020	23,426,000	17,182,000	2,347,000	42,955,000	8,591,000	51,546,000
2020	2021	23,183,500	17,184,400	2,593,100	42,961,000	8,592,200	51,553,200
2021	2022	23,158,200	17,182,000	2,614,800	42,955,000	8,591,000	51,546,000
2022***	2023	<u>39,035,500</u>	<u>36,089,900</u>	<u>4,272,300</u>	<u>79,397,700</u>	<u>11,067,800</u>	<u>90,465,500</u>
Total		\$1,069,349,800	\$270,976,600	\$59,354,100	\$1,399,680,500	\$253,758,800	\$1,653,439,300

* Includes grant under a former one-time federal rural communities hardship grants program.

** Includes federal American Recovery and Reinvestment Act of 2009 funding.

*** Includes IJA supplemental capitalization grants and technical assistance set-asides.

taxes and loan repayments on clean water fund loans. Revenue bonds are primarily repaid from the proceeds of municipal loan repayments rather than from state tax dollars.

Municipalities borrow money under the CWF program, including at below-market interest rates,

and use the loans for the costs of planning, design, and construction of pollution abatement facilities. The repayment of the revenue bonds comes from: (a) municipality repayment of loans funded from the EIF revenue bonds; (b) interest repayments on loans made with federal capitalization grants; and (c) in cases of default, state aid otherwise paid to

a municipality may be utilized. However, these sources may not be used for payment of debt service on prior state match from general obligation bonds.

Wisconsin statutes provide that bond holders may be provided security for their investments through a state aid intercept provision. Under s. 281.59(11) of the statutes, in the event of default on a loan, the clean water fund has the authority to intercept state aid payments made to that municipality and use those funds to pay the bond holders. In addition, the state may apply an additional charge to the amount of property taxes levied by the county in which the applicable municipality is located.

Loan Repayments Held in Perpetuity

One of the primary federal requirements the states must meet is to manage the direct revolving loan program so that the amount received in federal capitalization grants is available "in perpetuity" (for an indefinite period with no stated limit). This is accomplished through the requirement that all repayments of loans made from federal grants plus the state match be credited to the revolving fund for future loans. As loans are repaid, typically on a 20-year cycle, the funds become available for new loans. Funding available in a fiscal year for new loans is equal to the receipt of new federal grants and state match plus loan repayments, less program administration costs.

Infrastructure Investment and Jobs Act

The IJA provides two additional capitalization grants to the CWF in each fiscal year between 2022-23 and 2026-27: a supplemental grant that may be used for general CWF projects and a grant that may be used for projects to treat emerging contaminants, such as per- and polyfluoroalkyl substances (PFAS). These grants are in addition to base capitalization grants appropriated annually by Congress.

For 2022-23, Wisconsin will receive \$48,116,000 in supplemental capitalization grants and \$2,527,000 in emerging contaminants capitalization grants from the IJA. Additionally, the Consolidated Appropriations Act of 2022 provides the state \$31,281,000 in capitalization grant funding for the CWF. DNR is currently developing plans for the emerging contaminants program and funding will not be available from the grant until 2023-24. The emerging contaminants capitalization grant may be transferred from the clean water fund to the safe drinking water loan program for drinking water treatment projects.

State Funding. In 2022-23 and 2023-24, IJA requires that the state provide a 10% match for the supplemental capitalization grant, rather than the 20% match that is required to receive the base capitalization grant. No match is required to receive the emerging contaminants grant.

Principal Forgiveness. IJA requires states to provide a minimum percent of each capitalization grant as additional subsidy to communities in financial need. The law authorizes states to award this subsidy in the form of principal forgiveness, grants, or negative interest loans. The September 2022 CWF intended use plan notes that the state will provide this subsidy in the form of principal forgiveness.

Under IJA, 49% of the supplemental capitalization grant must be provided in the form of principal forgiveness. IJA also requires that states provide between 10% and 30% of base capitalization grants as additional subsidy (principal forgiveness). Furthermore, the Consolidated Appropriations Act of 2022 requires states to provide 10% of the federal fiscal year 2022 base capitalization grant as principal forgiveness. EPA considers these percentages to be additive, meaning the state would provide between 20% and 40% of the base capitalization grant in the form of principal forgiveness.

Table 6 shows capitalization grant funding, the required state match, and principal forgiveness amounts under the IJA and Consolidated Appropriations Act of 2022 for state fiscal year 2022-23.

Technical Assistance. IJA allows states to use up to 2% of the federal capitalization grant to hire staff or nonprofit organizations to provide technical assistance for water treatment systems in rural or tribal areas. Eligible assistance includes preparing engineering reports, applications for financial assistance, financial documents, or performing technical evaluations of the treatment work.

Transfer Between Funds

The Governor is authorized to transfer up to 33% of the total federal capitalization grant received for the clean water fund to the safe drinking water loan program, or to transfer an amount equal to 33% of the total capitalization grant received for the safe drinking water loan program to the clean water fund. A total of \$23,596,100 was transferred under this provision, to refinance safe drinking water loan program financial assistance agreements. No transfers have occurred since 2005.

Additionally, the 2019 Water Infrastructure Financing Transfer Act (WIFTA) allows states to transfer up to 5% of the cumulative clean water state revolving funds received through federal fiscal year 2020 (state fiscal year 2020-21) to the safe drinking water loan program for lead service line

replacements. DNR and DOA transferred \$63.8 million under this provision.

Clean Water Fund Program Costs

Debt Service

The clean water fund program provides financial assistance to municipalities with the use of state revenue obligation bonds. Prior to 2016, the program used the proceeds of general obligation bonds. Debt service from EIF revenue obligation bonds is paid from loan repayments. Debt service from general obligation bonds is paid from the state general fund.

The cost of general obligation debt service reflects: (a) the costs of subsidizing interest rates, prior to 2015-16; (b) the state match required for the receipt of federal grants (prior to 2015-16); (c) direct (proprietary) state loans; (d) grants provided under the financial hardship program; and (e) program costs, including bond discounts, cost of bond issuance, some administrative expenses and capitalized interest accrued on general obligation bonds. (The proprietary loan and hardship programs are discussed further in Chapter 3.)

The total cumulative amount of debt service payments for clean water fund program general

Table 6: Clean Water Infrastructure Investment and Jobs Act Funding

Capitalization Grant Type	Grant Value	<u>Required Match</u>		<u>Principal Forgiveness</u>	
		Percent	Value	Percent	Value
Base	\$31,281,000	20%	\$6,256,200	40%*	\$12,512,400
Supplemental	48,116,000	10	4,811,600	49	23,576,800
Emerging Contaminants**	<u>2,527,000</u>	0	-	100	<u>2,527,000</u>
Subtotal	\$81,924,000		\$11,067,800		\$38,616,200

* IJA requires that states provide between 10% and 30% of capitalization grants as principal forgiveness. The Consolidated Appropriations Act of 2022 requires that states provide 10% of federal fiscal year 2022 capitalization grants as principal forgiveness. EPA clarified that these percentages are additive.

** DNR is currently developing the emerging contaminants program. No funding will be available in 2022-23.

obligation bonds is shown in Table 7. Total debt service expenditures for clean water fund program general obligation bonds (GO) were lower in several years primarily because of the deferral of most principal payments in the state's overall general obligation program. Clean water fund general obligation debt service is estimated at \$9.8 million in 2022-23. Revenue obligation debt service through June 30, 2022, totaled \$598,529,300, substantially all of which was for bonds issued for the clean water fund program.

DNR and DOA are required to attempt to ensure that increases in state water pollution general obligation debt service costs do not exceed 4% annually and that state general obligation bond debt service costs for all state water pollution abatement programs are not greater than 50% of all general obligation debt service in any fiscal year. Water pollution abatement debt service is expected to be approximately 2.9% (\$25.6 million) of total statewide general obligation debt service in 2022-23 of \$869.6 million, which includes GPR debt service of approximately \$476.5 million. Water pollution abatement debt service includes debt service costs for the clean water fund, for the predecessor programs to the clean water fund program, and for nonpoint source water pollution abatement debt service for DNR and the Department of Agriculture, Trade and Consumer Protection (DATCP).

As shown in Table 7, a portion of general obligation bond debt service is paid by repayments of loans originally financed by general obligation bonds, instead of using GPR for that portion of general obligation bond debt service. Federal regulations authorize the state to use up to half of the interest repayments received for loans that were originally provided from the proceeds of general obligation bonds issued to federal capitalization grants for general obligation bond debt service.

Through 2021-22, state legislation authorized the use of \$185.8 million in segregated loan

Table 7: Clean Water Fund Payments of General Obligation Bond Debt Service

Year	Payment General Fund (GPR)	Payment from Loan Repayments	Total GO Debt Service Payment
1990-91	\$2,489,900		\$2,489,900
1991-92	6,536,600		6,536,600
1992-93	11,571,000		11,571,000
1993-94	15,213,000		15,213,000
1994-95	16,074,400	\$1,394,500	17,468,900
1995-96	18,083,300	1,858,300	19,941,600
1996-97	19,288,200	2,350,600	21,638,800
1997-98	21,863,100	4,000,000	25,863,100
1998-99	26,423,700	4,000,000	30,423,700
1999-00	27,639,800	4,000,000	31,639,800
2000-01	28,690,600	4,000,000	32,690,600
2001-02	23,698,300	10,200,000	33,898,300
2002-03	30,196,000	6,000,000	36,196,000
2003-04 *	14,868,100	6,000,000	20,868,100
2004-05 *	15,977,200	6,000,000	21,977,200
2005-06	36,248,800	6,000,000	42,248,800
2006-07	39,951,200	6,000,000	45,951,200
2007-08	39,780,200	6,000,000	45,780,200
2008-09	41,810,100	6,000,000	47,810,100
2009-10 *	14,815,000	15,000,000	29,815,000
2010-11 *	28,509,300	9,000,000	37,509,300
2011-12 *	12,540,300	8,000,000	20,540,300
2012-13	34,302,000	8,000,000	42,302,000
2013-14	32,347,800	8,000,000	40,347,800
2014-15	29,729,100	8,000,000	37,729,100
2015-16 **	16,157,600	8,000,000	24,157,600
2016-17	12,938,400	8,000,000	20,938,400
2017-18	9,888,600	8,000,000	17,888,600
2018-19	11,390,300	8,000,000	19,390,300
2019-20	6,899,400	8,000,000	14,899,400
2020-21	4,326,200	8,000,000	12,326,200
2021-22	3,939,300	8,000,000	11,939,300
2022-23***	<u>2,756,600</u>	<u>7,000,000</u>	<u>9,756,600</u>
Total	\$656,943,400	\$192,803,400	\$849,746,800

* Expenditures in some years are lower than otherwise would have occurred because of the restructuring of certain clean water fund issues or deferral of most principal payments on the state's general obligation bond program.

** Beginning in 2015-16, program restructuring resulted in reductions in use of GPR for debt service.

*** Budgeted.

repayments to be used instead of GPR for general obligation bond debt service. In 2022-23, an additional \$7 million is appropriated for general obligation bond debt service.

Administration and Technical Assistance

Federal law authorizes a portion of each year's federal capitalization grant to be used to finance the costs of administering the loan program. Prior to enactment of the WRRDA, the state was permitted to set aside not more than 4% of federal grants received for these administrative purposes. Under the WRRDA, states can use the greater of 4% of the federal grant, \$400,000, or 0.2% of the current valuation of the state's revolving fund per year. As of June 30, 2021, the CWF had a net position of \$1,622,131,900, which would allow the state to use as much as \$3,244,300 for administrative purposes. In 2022-23, DNR plans to use \$3,160,900 for administration.

Intended Use Plan. To receive the state's share of the federal capitalization grant, the state must provide an annual plan to the EPA that identifies the intended uses of the amounts in its revolving loan fund for the following fiscal year. In addition to describing financial plans, the annual plan outlines criteria that will be used to award principal forgiveness, changes to the project priority scoring system, lists application deadlines, and describes administrative plans.

Technical Assistance. IJJA allows states to use up to 2% of the federal capitalization grant to hire staff or nonprofit organizations to provide technical assistance for water treatment systems in rural or tribal areas. \$1,111,300 will be available for technical assistance in 2022-23.

DNR will use the technical assistance set-aside to hire 8.0 positions, including 6.0 in the Water Quality Bureau and 2.0 in the Watershed Management Bureau, and 2.0 limited-term positions in the Water Quality Bureau, to assist communities seeking financial assistance.

Annual Report. At the conclusion of each fiscal year, the state is required to provide an annual report to the EPA describing how the state has met

the goals and objectives for the previous year. EPA reviews the state program annually and audits the revolving loan fund, or requires the state to have an independently conducted audit. The state must demonstrate that the federal portion of the revolving loan fund and the state match are being maintained in perpetuity. This requirement is addressed in the biennial finance plan and both DNR and DOA work with financial advisors to maintain a funding model that is used to demonstrate this requirement. Additionally, the statutes require DNR and DOA to submit a biennial report by November 1 of each odd-numbered year on the activities and operations of the clean water fund.

Future and Current Costs

DNR and DOA are required to develop a biennial finance plan that includes estimates of costs for the program in the upcoming biennium. (See Appendix III for a description of the biennial finance plan process.) In the 2023-25 biennial finance plan, submitted in September, 2022, DNR and DOA projected program needs for the next four years (2023-24 to 2026-27), of an estimated \$1,892.0 million in 2022 dollars, based on the current scope of the program and current federal and state wastewater discharge requirements. Through the 2021-23 biennium, the program has been authorized \$2,551.4 million in revenue bond authority and \$659.8 million in general obligation bond authority to fund the state's portion of program costs.

Sources and Uses of Funds

Table 8 lists the total sources and uses of clean water fund program funds for 2021-22 as well as in total, as of June 30, 2022. The sources of program funds include federal grant proceeds and state revenue bonds used to provide the required 20% match. Additionally, state revenue bond proceeds are used to fund additional financial assistance agreements, beyond what may be funded using federal capitalization grants. Additional fund sources include general obligation bond proceeds,

Table 8: Clean Water Fund Program -- Sources and Uses of Funds through June 30, 2022 (\$ in Millions)

Sources of Funds	2021-22	Total Amount
Revenue Bonds	\$117.6	\$2,228.9
Federal Grants	43.0	1,316.8
General Obligation Bond Proceeds	-0.1	645.6
Loan Repayments	181.2	4,151.6
Investment Income	<u>0.0</u>	<u>212.4</u>
Total Sources of Funds	\$341.7	\$8,555.3
 Uses of Funds		
<i>Uses – Financial Assistance Disbursements</i>		
Loan Disbursements	\$308.7	\$4,876.7
Hardship Grants and Principal Forgiveness	<u>17.6</u>	<u>321.9</u>
Subtotal	\$326.3	\$5,198.6
 <i>Uses - Other</i>		
Revenue Bond Debt Service	\$37.5	\$2,109.6
General Obligation Bond Debt Service	-	185.8
Program, Administrative and Issuance Expense	0.2	120.4
Transfer to Safe Drinking Water Loan Program	<u>-</u>	<u>87.4</u>
Subtotal	\$37.7	\$2,503.2
 Commitments and Reserves	 -54.6	 175.9
 Total Funds Unapplied	 <u>32.1</u>	 <u>677.6</u>
Total Uses of Funds	\$341.7	\$8,555.3

loan repayments, investment income and loan servicing fees.

Uses of funds include loan and grant disbursements, revenue bond debt service payments, general obligation bond debt service payments, program, technical assistance and administrative costs, and \$87 million in funds transferred to the safe drinking water loan program. In addition, commitments and reserves include \$176 million in loans closed but not fully disbursed and \$678 million in unapplied funds that have not yet been

allocated to a project.

The lines in Table 8 for financial assistance disbursements include the portions of closed loans that have been disbursed to the municipal recipient of the financial assistance. The line for commitments and reserves includes the portion of the financial assistance agreement that has not been disbursed to the municipality, but will be during the remainder of construction during the next few years.

SAFE DRINKING WATER LOAN PROGRAM

Project Eligibility and Priority

Under the federal Safe Drinking Water Act (SDWA) Amendments of 1996, EPA is authorized to award federal capitalization grants to states for drinking water projects and states are required to provide a 20% match in state funds to receive the federal grant. The state safe drinking water loan program provides assistance primarily to local governments (including cities, villages, towns, counties, town sanitary districts, public inland lake protection and rehabilitation districts and municipal water districts) for eligible projects to plan, design, construct or modify public water systems, if the projects will facilitate compliance with national primary drinking water regulations under the federal Safe Drinking Water Act or otherwise significantly further the health protection objectives of the Act. A "public water system" is defined as a system providing piped water to the public for human consumption if the water system has at least 15 service connections or regularly serves an average of at least 25 individuals for at least 60 days each year.

Eligible Projects

Financial Assistance. DNR and DOA are authorized to provide financial assistance to local governments, as well as private owners of community water systems that meet certain qualifications, for drinking water projects that have any of the following purposes:

a. Address SDWA health standards that have been exceeded or prevent future violations of rules related to contaminants with acute or chronic

health effects;

b. Replace aging infrastructure if necessary to maintain compliance or further the public health protection goals of the SDWA;

c. Consolidate water systems that have technical, financial, or managerial difficulties;

d. Purchase a portion of another public water system's capacity if it is the most cost-effective solution;

e. Restructure a public water system that is in noncompliance with the SDWA requirements or lacks the technical, managerial and financial capability to maintain the system if the assistance will ensure that the system will return to and maintain compliance with the SDWA; and

f. Create a new community water system or expand an existing community water system that, upon completion, will address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

Other Assistance. DNR is authorized to spend, with DOA approval, up to a total of 15% of the federal safe drinking water capitalization grant in any fiscal year for the following activities:

a. Provide a loan to the owner of a community water system (including a local government or private owner) or a nonprofit noncommunity water system to acquire land or a conservation easement to protect source water.

b. Provide a loan to the owner of a community water system to: (1) implement voluntary

source water protection measures in order to facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of the Safe Drinking Water Act; or (2) to implement a program for source water quality protection partnerships.

c. Assist the owner of a public water system to develop the technical, managerial and financial capacity to comply with national primary drinking water regulations (capacity development).

d. Protect wellhead areas from contamination.

DNR may not award more than 10% of the capitalization grant for any one of these activities.

Administration and Technical Assistance. DNR and DOA may use up to 10% of the federal capitalization grant in any fiscal year for: (a) administration of a public water system supervision program; (b) technical assistance concerning source water protection; (c) development and implementation of a capacity development strategy required by the SDWA; and (d) development and administration of an operator certification program required by the SDWA.

DNR is authorized to spend, with DOA approval, up to a total of 2% of the federal capitalization grant in any fiscal year for technical assistance to public water systems serving 10,000 or fewer persons.

Ineligible Projects

The following types of projects are ineligible for assistance under the program:

- a. Construction or rehabilitation of dams;
- b. Water rights, except if the water rights are owned by a public water system that is being purchased through consolidation as part of a

capacity development strategy;

c. Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located;

d. Projects needed primarily for fire protection;

e. Projects for systems that lack the adequate technical, managerial and financial capability, unless assistance will ensure compliance;

f. Projects for systems determined to be significant noncompliers unless funding will ensure compliance with SDWA requirements;

g. Projects primarily intended to serve future growth;

h. Projects for systems owned by state or federal agencies; and

i. Projects or portions of projects that are not reasonably necessary and appropriate to address a public health concern.

Criteria Used to Prioritize Projects

Chapter NR 166 of the administrative code establishes a priority ranking system that scores each safe drinking water loan program project and is used to establish a list of projects to be funded. The ranking system includes the following priorities:

a. First priority is provided for projects that address an acute public health risk, especially risk related to a confirmed waterborne disease outbreak or confirmed microbial contamination, such as from giardia or cryptosporidium.

b. Second priority is provided for projects that address chronic and longer-term health risks

to people who drink the water, especially risk related to organic chemical contamination.

c. Projects receive priority ranking points if the community they serve has financial need on a per household basis, including a population less than 10,000 and a median household income equal to or less than 80% of the state median.

d. Projects also receive priority if they correct secondary contaminant violations or system compliance needs.

e. Projects also receive priority if they have implemented activities that demonstrate specific technical, financial and managerial capacity of the public water system, such as enacting an emergency action plan, private well abandonment ordinance or wellhead protection plan and ordinance.

Financial Assistance Criteria

Types of Financial Assistance

DNR and DOA are authorized to use the following methods to provide financial assistance under the safe drinking water loan program:

a. Make loans with an interest rate of 33% of market interest rate for local governments that meet the following financial need criteria: (1) the population of the municipality is less than 10,000; and (2) the median household income of the municipality is 80% or less (\$49,397 in 2022-23) of

the statewide median. These are known as disadvantaged communities.

b. Make loans with an interest rate of 55% of the market interest rate for local governments that do not meet financial need criteria. Table 9 shows the program interest rates. The safe drinking water loan program uses the same market interest rate as the clean water fund program. DNR and DOA are authorized to jointly request the Joint Committee on Finance to modify the loan interest rate as a percentage of the market interest rate. To date, the agencies have not requested any change in the interest rates.

c. Provide loans for a term not to exceed 30 years, or the useable life of the project, whichever is shorter.

d. Purchase or refinance the debt obligation of a local government incurred after July 1, 1993, if the debt was incurred to finance costs of currently eligible projects.

e. Guarantee or purchase insurance for obligations incurred to finance the cost of eligible projects if the guarantee or insurance will provide credit market access or reduce interest rates.

f. Make payments to the Board of Commissioners of Public Lands (BCPL) to reduce principal or interest payments, or both, on loans made to local governments for projects that are eligible for financial assistance under the safe drinking water loan program. (DNR and DOA are not using the BCPL small loan program for safe drinking water loan projects.)

Table 9: Safe Drinking Water Loan Program Loan Interest Rates by Project Type

Project Category	Percent of Market Rate	20-Year Rate Effective January, 2023	30-Year Rate Effective January, 2023
Financial need communities	33% of Market Rate	1.29%	1.35%
Regular eligibility	55% of Market Rate	2.15	2.26

NOTE: DOA typically reviews the market interest rate quarterly.

g. Provide principal forgiveness for a portion of project costs for certain projects financed with federal funds. The IJA amended the Safe Drinking Water Act to require that states award between 12% and 35% of the federal capitalization grant as principal forgiveness or other subsidy for disadvantaged communities. The Consolidated Appropriations Act of 2022 requires states to provide 14% of the 2022-23 capitalization grant as principal forgiveness. EPA has determined that these two calculations are additive, meaning up to 49% of the federal capitalization grant may be used for principal forgiveness. DNR and DOA established a maximum of \$1,500,000 in principal forgiveness per municipality. Principal forgiveness may be granted for up to 70% of project costs. Only municipalities are eligible for principal forgiveness; private owners of community water systems are ineligible.

Any one municipality may not receive more than 25% of the funds that DOA projects will be available for the safe drinking water loan program (SDWLP) for the biennium.

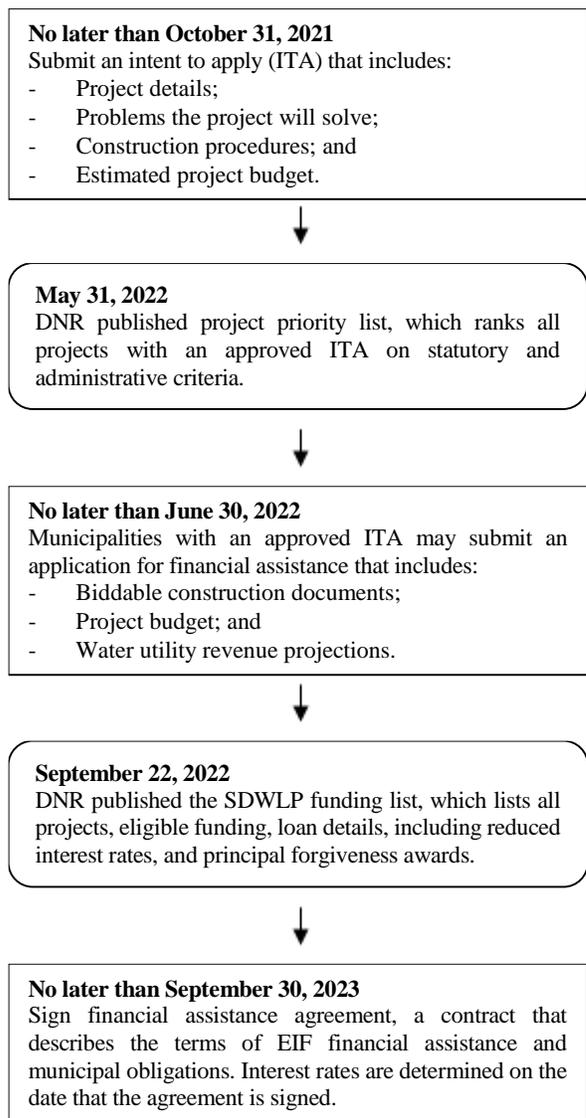
Application Procedures

Application deadlines for projects seeking 2022-23 SDWLP financial assistance were defined in statute. The deadlines for the 2022-23 funding cycle are shown in Figure 2. Applications must be submitted through the DNR's online application system. Applicants are limited to one application per project per year.

2021 Wisconsin Act 112 makes several changes to SDWLP application procedures. Beginning with applications for 2023-24 financial assistance, the statutory deadlines were repealed and DNR may set deadlines in the annual intended use plan. These changes will allow the SDWLP to accept and approve applications for financial assistance on a rolling basis, similar to the CWF.

Prior to submitting an application, a municipality must notify DNR of its intent to

Figure 2: SDWLP Application Procedures Fiscal Year 2022-23 Funding Cycle



Key:

- Applicant actions
- DNR actions

apply. The intent to apply details project goals, construction procedures, and an estimated budget. DNR reviews each intent to apply and calculates a priority score for each proposed project. The priority score is an index that includes the extent to which a project will meet health and environmental goals, as well as demographic

goals such as assisting small and disadvantaged communities. DNR publishes a project priority list that ranks each intent to apply in order of priority score.

DNR accepts applications for financial assistance after: (a) the project is ranked on the priority list; (b) DNR determines that the project meets eligibility requirements; and (c) DOA determines that the project has pledged any required security, demonstrated the financial capacity to operate and maintain the project and demonstrated the ability to repay the loan.

Local governments must, as a condition of receiving financial assistance under the program: (a) establish a dedicated source of revenue to repay the financial assistance; (b) comply with applicable federal and state statutes and rules; (c) develop and adopt a program of water conservation as required by DNR; (d) develop and adopt a program of systemwide operation and maintenance of the public water system, including the training of personnel, as required by DNR; and (e) develop and adopt a user fee system.

Engineering Report. DNR requires applicants seeking financial assistance for certain types of projects to submit an engineering report. Engineering reports describe the factors that were used to determine the functional design of a proposed project such as the topography and hydrology of a project area, population trends, and project lifespan. An applicant may submit an engineering report prior to submitting an application for financial assistance. However, engineering reports do not need to be approved to DNR prior to application. DNR currently requires an engineering report of any reviewable project except for water main extensions. Reviewable projects are generally new construction and improvements of community water systems and treatment works.

Program Funding

Federal Funding

Federal capitalization grants for drinking water revolving loan funds are provided to states through annual appropriations bills enacted by Congress. The federal Safe Drinking Water Act requires that the Environmental Protection Agency (EPA) distribute these grants to states based on a formula that accounts for each state's proportion of national drinking water needs. EPA determines this through the Drinking Water Infrastructure Needs Survey and Assessment, which estimates the cost to maintain and improve each state's drinking water infrastructure to ensure compliance with federal drinking water regulations and to replace lead service lines. The survey is conducted every five years. The 2018 assessment determined that Wisconsin had 1.8% of the nation's drinking water need.

Reallotment. EPA typically requires states to commit all capitalization grant funding from a given year's allotment to eligible uses within two years. If state does not commit all funds within this time frame, EPA may reallocate the uncommitted funds to other states. Reallotment typically occurs when a state opts against applying for the full value of its capitalization grant. However, reallotment may also occur if a state fails to comply with federal revolving loan fund regulations or water quality regulations.

In 2020, \$11,004,000 was reallocated from Wyoming, which declined its federal fiscal year 2019 capitalization grant. Reallocated funds were made available to states based on their proportion of drinking water infrastructure needs in the Drinking Water Infrastructure Needs Survey and Assessment. Wisconsin was allotted an additional \$173,000 in capitalization grant funding, which was committed to 2021-22 financial assistance agreements.

State Funding

To receive a given fiscal year's capitalization grant, states must provide a 20% match in state funds. DNR and DOA are authorized to issue environmental improvement fund revenue bonds for the required 20% state match. Prior to 2019, the state match for the safe drinking water loan

program was funded by general obligation bonds. Under current law, the program has \$75.0 million in general obligation bond authority. The program has received federal capitalization grants totaling \$558.6 million for federal fiscal years 1997 through 2022, received in state fiscal years 1997-98 through 2022-23. Table 10 shows the amounts of federal grant and state match by fiscal year.

Table 10: Safe Drinking Water Loan Program Federal Grants and State Match

Fiscal Year		Federal Funding				State Match	Federal and State Total
Federal	State	Loans	Grants and Principal Forgiveness	Administration & Set-Asides	Subtotal Federal Funding		
1997/1998	1999	\$42,754,500	0	\$8,340,300	\$51,094,800	\$10,219,000	\$61,313,800
	1999	9,607,300	0	400,300	10,007,600	2,001,500	12,009,100
	2000	8,736,700	0	1,664,100	10,400,800	2,080,200	12,481,000
	2001	8,772,800	0	1,671,000	10,443,800	2,088,800	12,532,600
	2002	15,198,300	0	748,200	15,946,500	3,189,300	19,135,800
	2003						
	2004	12,994,900	0	2,855,800	15,850,700	3,170,100	19,020,800
	2004	15,283,900	0	1,158,900	16,442,800	3,288,600	19,731,400
	2005	13,731,900	0	2,676,000	16,407,900	3,281,600	19,689,500
	2006	14,716,100	0	1,215,200	15,931,300	3,186,300	19,117,600
	2007 ¹	14,181,900	0	1,749,100	15,931,000	3,186,200	19,117,200
	2008						
	2008	14,082,200	0	1,687,800	15,770,000	3,154,000	18,924,000
	2009	12,962,100	37,750,000	2,807,900	53,520,000	3,154,000	56,674,000
	2010 ²	3,061,200	17,019,700	3,318,100	23,399,000	4,679,800	28,078,800
	2011 ²	10,430,900	4,871,100	3,131,800	18,433,800	3,686,700	22,120,500
	2012	8,016,700	4,642,200	3,022,000	15,680,900	3,136,200	18,817,100
	2013						
	2013	6,614,000	4,355,400	3,548,600	14,518,000	2,903,600	17,421,600
	2014	7,436,700	4,627,500	3,360,800	15,425,000	3,085,000	18,510,000
	2015	6,348,500	4,596,900	4,377,600	15,323,000	3,064,600	18,387,600
	2016	2,924,200	7,248,000	4,323,800	14,496,000	2,899,200	17,395,200
	2017	4,495,800	5,000,000	4,876,200	14,372,000	2,874,400	17,246,400
	2018						
	2018	10,044,500	3,786,200	5,100,300	18,931,000	3,786,200	22,717,200
	2019	8,150,400	4,876,000	5,727,600	18,754,000	3,750,800	22,504,800
	2020	8,433,100	4,500,000	5,832,900	18,766,000	3,753,200	22,519,200
	2021 ³	8,331,100	5,045,000	5,545,900	18,922,000	3,784,400	22,706,400
	2022 ⁴	32,203,500	57,431,700	14,169,800	103,805,000	5,455,200	109,260,200
	2023						
Total		\$299,513,200	\$165,749,700	\$93,310,000	\$558,572,900	\$88,858,900	\$647,431,800

¹ Administration and set-aside amounts changed in subsequent years as funds were transferred to be used for loans.

² The amounts were adjusted in FFY 2010 and 2011 to reallocate funds that were not used in those years to be used for principal forgiveness for lead service line replacement in federal fiscal years 2016 and 2017.

³ Wyoming declined its FFY 2019 capitalization. Funding was subsequently reallocated to other eligible states. Wisconsin used these reallocated funds for SFY 2021-22 financial assistance.

⁴ Includes basic and supplemental capitalization grants provided through the IJA.

Table 11: Safe Drinking Water 2022-23 Funding

Capitalization Grant Type	Grant Value	<u>Required Match</u>		<u>Principal Forgiveness</u>		Set-Asides
		Percent	Value	Percent	Value	
Base	\$11,943,000	20%	\$ 2,388,600	49%*	\$5,852,100	\$3,698,600
Supplemental	30,666,000	10	3,066,600	49	15,026,300	4,859,700
Emerging Contaminants	12,877,000	0	\$ -	100	12,877,000	-
Lead Service Line	48,319,000	0	-	49	23,676,300	5,611,500
Total	\$103,805,000		\$5,455,200		\$57,431,700	\$14,169,800

* IJA requires states to provide between 12% and 35% of capitalization grants as principal forgiveness. The Consolidated Appropriations Act of 2022 requires that states provide 14% of federal fiscal year 2022 capitalization grants as principal forgiveness. EPA applies the requirements as additive.

Infrastructure Investment and Jobs Act

The IJA provides three additional capitalization grants to the SDWLP in each fiscal year between 2022-23 and 2026-27: (a) a supplemental grant that may be used for general SDWLP projects; (b) an emerging contaminants grant that may be used for projects to treat emerging contaminants, such as PFAS, in drinking water; and (c) a lead service line replacement grant. These grants are in addition to base capitalization grants appropriated annually by Congress, further increasing funding for the SDWLP.

For 2022-23, Wisconsin will receive \$30,666,000 in supplemental capitalization grants, \$12,877,000 in emerging contaminants capitalization grants, and \$48,319,000 in lead service line replacement capitalization grants from the IJA. Additionally, the Consolidated Appropriations Act of 2022 provides the state \$11,943,000 in capitalization grant funding for the SDWLP.

State Funding. In 2022-23 and 2023-24, IJA requires that the state provide a 10% match for the supplemental capitalization grant, rather than the 20% match that is required to receive the base capitalization grant. No match is required to receive either the emerging contaminants grant or the lead service line replacement grant.

Principal Forgiveness. IJA requires states to provide a minimum percent of each capitalization grant as additional subsidy to communities in

financial need. The law authorizes states to award this subsidy in the form of principal forgiveness, grants, or negative interest loans. The September 2022 SDWLP intended use plan notes that the state will provide this subsidy in the form of principal forgiveness.

Under IJA, 49% of the supplemental capitalization grant must be provided in the form of principal forgiveness. States also must provide between 12% and 35% of base capitalization grants as additional subsidy (principal forgiveness). Further, the Consolidated Appropriations Act of 2022 requires states to provide 14% of the federal fiscal year 2022 base capitalization grant as principal forgiveness. EPA considers these percentages to be additive, meaning the state must provide between 26% and 49% of the base capitalization grant in the form of principal forgiveness.

Table 11 shows capitalization grant funding, the required state match, and principal forgiveness amounts under the IJA and Consolidated Appropriations Act of 2022 for state fiscal year 2022-23.

Transfer Between Funds

The Governor is authorized to transfer up to 33% of the federal capitalization grant received for the safe drinking water loan program to the clean water fund program, or to transfer an amount equal to up to 33% of the federal capitalization grant received for the clean water fund program to the safe drinking water loan program. DOA and

DNR transferred \$23,596,100 from clean water fund direct loan repayments to the safe drinking water loan program.

Additionally, the federal Water Infrastructure Financing Transfer Act (WIFTA) allows states to transfer up to 5% of the cumulative clean water state revolving funds received through federal fiscal year 2020 (state fiscal year 2020-21) to the safe drinking water loan program for lead service line replacements. DNR and DOA transferred \$63.8 million under this provision.

Lead Service Line Replacement

Lead is a metal which, prior to the 1940s, and continuing into the 1980s in some areas, was often used in the construction of drinking water pipes and plumbing fixtures in homes, schools, and other buildings. EPA indicates that exposure to high levels of lead can cause damage to a person's brain, red blood cells, kidneys, childhood intelligence levels, and classroom performance. According to the EPA, children younger than six are most at risk of damage due to their rapid rate of growth.

Many older cities and villages in Wisconsin have water service lines made of lead or containing lead. Water service lines, also known as laterals, connect a building to the water mains in the street, and carry drinking water from the public water system to the individual building. In general, the portion of the lateral that extends from the water main to the curb stop is the responsibility of the public water system, and the remaining portion of the lateral that extends from the curb stop to the building is the responsibility of the property owner. Water utility reporting to the Public Service Commission indicates there were 150,069 private lead-containing service lines in the state in 2020. An additional 84,637 private service lines possibly contained lead.

Safe drinking water loans to local governments are for projects owned by the municipality for the 20-year life of the loan. In general, the state safe drinking water loans had not been used for projects on private property because of state concerns about using general obligation bonding proceeds, which previously provided the state match for the federal grant, for projects that benefit private property owners rather than improve publicly-owned infrastructure or provide a direct public benefit.

Pilot Program

In 2016-17 and 2017-18, EPA authorized states to allocate a portion of the federal safe drinking water capitalization grant to provide principal forgiveness for lead service line replacement on private property. In addition, EPA authorized DNR to reopen the federal fiscal year 2010 and 2011 federal grants to reallocate authority that could have originally been allocated for principal forgiveness, but was not, to be used for lead service line replacement principal forgiveness in 2016-17 and 2017-18. These earlier federal grants were originally allocated for loans or administration, and were subsequently reallocated to principal forgiveness. This did not change any previous loans.

The 2016-17 and 2017-18 lead service line replacement provided principal forgiveness only for the cost replacing customer-side lead service lines. However, the program funded private lead service line replacement costs only if the public portion of the water service line is not lead, meaning public lead water mains or service lines have been replaced in the past or are replaced at the same time the private lead service lines are replaced under the program. Municipalities could enter into safe drinking water loans for the public portion of lead service line replacement projects. The program allocated \$26,857,900 over the two-year period in principal forgiveness for private-side lead service line replacement.

Water Infrastructure Financing Transfer Act

WIFTA was enacted in October, 2019, and allows states to transfer up to 5% of the cumulative clean water state revolving funds received through federal fiscal year 2020 (state fiscal year 2020-21) to the safe drinking water loan program for lead service line replacements. DNR and DOA transferred the maximum allowable amount under WIFTA, \$63.8 million, for principal forgiveness for private lead service line replacement projects. Funding was made available beginning in 2020-21 and applicants could seek funds each fiscal year thereafter until all principal forgiveness was allotted.

Eligible projects included residential lead service line replacement, or replacement of lead service lines in schools or daycares. Nonresidential lead service line was considered for eligibility if the nonresidential property was on a water main being replaced using safe drinking water financial assistance where more than 50% of properties are residential. While principal forgiveness was available only for the privately-owned portion of a lead service line, projects were only eligible for funding if they resulted in a total lead lateral replacement. Municipalities could seek safe drinking water loan program financial assistance for the publicly-owned portion of a lead lateral.

Awards. Table 12 shows the amount of principal forgiveness that has been awarded for lead service line replacement projects for each private lead service line replacement program. The principal forgiveness amounts shown in the table are

listed by award year. The table shows a cumulative \$75.6 million from the WIFTA program was allotted to lead service line replacement projects. In addition to the \$63.8 million transferred under WIFTA, this amount includes funds that were underspent from the prior lead service line replacement programs. In total, the state has awarded \$102.5 million in lead service line replacement funds through 2022.

Infrastructure Investment and Jobs Act

The IJA provides an annual capitalization grant for lead service line replacement for five years. Beginning in 2022-23 through 2026-27, Wisconsin is expected to receive \$48,319,000 each year under this program. Lead service line replacement projects will be eligible to receive regular principal forgiveness from the base or supplemental capitalization grants, which total approximately \$20.9 million each year as shown in Table 11, and principal forgiveness from the dedicated IJA lead service line replacement capitalization grant of up to \$23,676,300 each year. However, the IJA requires principal forgiveness to be allocated only to disadvantaged communities, while municipalities not qualifying for principal forgiveness could be provided loans. In allotting regular principal forgiveness, lead service line replacement projects will be ranked alongside all other safe drinking water loan program applications. Principal forgiveness from the IJA lead service line capitalization grant will not count toward the \$1.5 million maximum principal forgiveness amount.

Table 12: Lead Service Line Replacement

Period	Program	Principal Forgiveness	Number Municipalities Receiving Funding	Number of Service Lines Replaced
7/1/2016 - 6/30/2017	FY 2017 Capitalization Grant Pilot	\$13,781,400	35	456
7/1/2017 - 6/30/2018	FY 2018 Capitalization Grant Pilot	13,076,500	29	731
1/1/2021 - 12/31/2021	WIFTA (Round 1)	33,314,900	60	670
1/1/2022 - 12/31/2022	WIFTA (Round 2)	<u>42,314,800</u>	<u>75</u>	**
		\$102,487,600	199	

* Includes funding awarded to projects for which construction was not complete by June 30, 2022.

** Pending final certification.

Application Period. While DNR will receive the 2022-23 lead service line replacement capitalization grant, funding from the grant will not be available for financial assistance until 2023-24. Lead service line replacement applications will be considered on the same timeline as standard safe drinking water financial assistance. This allows municipalities to seek funding for public lead and drinking water work connected to lead service line replacement simultaneously. To be eligible to submit a 2023-24 application for financial assistance, a municipality would have been required to submit an intent to apply by October 31, 2022. Municipalities may request a one-time waiver in order to submit an intent to apply for lead service line financial assistance in 2023-24.

Eligible Projects. The IJA lead service line replacement program will provide reduced-rate loans and principal forgiveness for replacement of both the public and private sides of any lead service line, including those serving commercial buildings. Prior lead service line replacement programs provided financial assistance only for work on residences, daycares, and schools. Additionally, prior lead service line replacement programs offered financing for only the private side of a lead service line.

Additional eligible costs include engineering and administrative costs, the cost of developing a mandatory replacement ordinance, archaeology and cultural resource management services where required, and service line inventory work.

Funding from the lead service line replacement capitalization grant will be allotted to projects based on two measures: a project priority score and need level. The order in which projects are funded will be determined by the priority score. The level of principal forgiveness funding will be set based on each applicant community's need level.

Project Prioritization. Beginning in 2023-24, all safe drinking water loan program financial

assistance applications will be ranked on the project priority list together, regardless of funding source. Lead service line replacement projects will be assigned a priority score based on the following: (a) project type, with lead service line replacement projects prioritized above lead inventory work; (b) the community's poverty rate and concentration of low-income households, with priority going to lower-income communities; (c) the proportion of the population under the age of five; (d) lead water levels; (e) the extent to which all lead service lines can be replaced by a given project; and (f) whether a community has enacted a mandatory replacement ordinance.

Forms of Financial Assistance. IJA requires that 49% of the capitalization grant be provided as principal forgiveness (\$23,676,300) and 51% (\$24,642,700) to be provided as loans or other financial assistance and administrative set-asides. While prior lead service line replacement programs provided 100% principal forgiveness, the IJA program will require most communities to provide a portion of project costs, either through water utility rates or general obligation pledges.

The amount of principal forgiveness that a community is eligible to receive will vary based on each community's need level and the owner of the service line. For private-side lead service line replacements, communities may receive principal forgiveness for either 25%, 50%, 75% or 100% of private lead service line replacement costs, depending on levels of need. For public-side lead service line replacements, communities may receive principal forgiveness of between 10% and 60% of project costs depending on need.

Principal forgiveness will be allotted to private lead service line replacement work first, in order of project priority score. If any principal forgiveness remains after all private-side principal forgiveness is allotted, additional principal forgiveness will be allotted for public-side lead service line replacements, based on project priority score.

The remainder of lead service line replacement project costs will be funded through loans. Private-side costs not funded with principal forgiveness may receive a loan with an interest rate of 0.25%; public-side costs not funded with principal forgiveness may receive a loan with an interest rate of 1%. Any other project costs beyond service line replacement, such as water main work, will be funded through regular safe drinking water loans.

Administrative Set-Asides. In addition to financial assistance, the IJA authorizes states to use a portion of capitalization grant funds for program administration, local assistance, and state program management. In 2022-23, DNR will use a total of \$5,611,500 from the lead service line replacement capitalization grant as follows: (a) \$290,600 for administration; (b) \$4,000,000 to provide local assistance to municipalities conducting lead service line inventories; and (c) \$1,320,900 for state program management, including hiring new staff. An additional \$5,153,200 in set-aside authority will be banked for eligible costs in future years. The allowed uses and DNR's plans for the set-asides are described in further detail in a subsequent section.

Emerging Contaminants

Per- and polyfluoroalkyl substances (commonly abbreviated as PFAS) are a class of synthetic chemicals commonly found in nonstick surfaces, cookware, paint, and firefighting foam. The National Institutes of Health report that there are at least 4,700 unique types of PFAS in existence. They are resistant to temperature, water, and oil. Research and studies indicate that PFAS are toxic to humans, as they do not easily degrade and tend to accumulate in humans and the environment. In parts of the state, PFAS have dispersed through the environment from such sources as: (a)

discharges of firefighting foams in municipal and military firefighting uses; and (b) industrial waste discharged to municipal sewerage systems, and then applied to land as septage (bio-solids).

The IJA provides an annual capitalization grant for emerging contaminants for five years. DNR will use this grant to fund projects that treat PFAS in drinking water. Beginning in 2022-23, through 2026-27, Wisconsin is expected to receive \$12,877,000 each year under this program. IJA requires that all funding be provided as principal forgiveness.

Additionally, between 2022-23 and 2026-27, the IJA provides an annual capitalization grant to the clean water fund for emerging contaminants projects. In 2022-23, Wisconsin will receive \$2,527,000. However, no funding from the clean water emerging contaminants grant will be available until 2023-24 as EPA drafts guidance and DNR develops an emerging contaminants program. One option under consideration would transfer the clean water emerging contaminants grant to the safe drinking water loan program for principal forgiveness for PFAS treatment projects in drinking water.

Application Period. Applicants seeking emerging contaminants principal forgiveness in 2022-23 may submit an intent to apply to DNR by January 20, 2023. After eligible projects are given a priority score and ranked, applications must be submitted by January 31, 2023, along with biddable plans and specifications. This shortened application window is intended to address public concerns about PFAS by awarding emerging contaminants funding quickly.

Beginning in 2023-24, emerging contaminants projects will be considered on the same application timeline as standard safe drinking water loan program applications. To be eligible to submit a 2023-24 application for financial assistance, a municipality would have been required to submit an

intent to apply by October 31, 2022. Municipalities may request a one-time waiver in order to submit an intent to apply for emerging contaminants principal forgiveness in 2023-24.

Eligible Projects. Emerging contaminants principal forgiveness may be awarded to any project that meets traditional safe drinking water loan program eligibility, including: (a) the construction and upgrade of public drinking water treatment systems; (b) source water development, such as constructing a new intake well; (c) consolidating water treatment systems to decommission a system with emerging contaminants issues; and (d) extension of a non-contaminated distribution system to areas affected by PFAS contamination. Additional project eligibility includes construction costs related to pilot projects to treat PFAS contaminations. Distributing bottled water or individual filtration systems to households affected by PFAS water contamination is not an eligible use of funds.

Project Prioritization. Priority scores will be assigned to emerging contaminants projects based on the applicant community's PFAS health hazard level, financial need, and the proportion of the water system that is affected by PFAS contamination.

The Wisconsin Department of Health Services uses a PFAS hazard index to evaluate the health risk from exposure to PFAS and related chemicals. The index compares the levels of different PFAS in drinking water to guideline levels for each chemical. Higher PFAS hazard indices indicate greater levels of PFAS contamination. An index score above 1.0 indicates that a community's water exceeds a safe level of PFAS contamination.

DNR will assign higher priority scores to communities with higher PFAS hazard indices. Priority scores for PFAS treatment projects will be weighted such that applicant communities with hazard indices above 1.0 will get highest priority for available principal forgiveness.

The PFAS hazard index evaluates the level of PFAS contamination in drinking water but not the extent to which a community's drinking water is affected. DNR will also consider the percent of a community water system that has PFAS contamination in assigning priority scores.

IIJA requires that 25% of the emerging contaminants grant be provided to disadvantaged communities, including small communities and those with financial need. DNR will consider factors including poverty level, household income, concentration of low-income households, and population size and trends in assigning priority scores for emerging contaminants principal forgiveness applications.

Allocation of Financial Assistance. DNR will allocate emerging contaminants principal forgiveness to projects in priority score order. Applicants will be eligible to receive 70% of project costs, up to \$500,000 in principal forgiveness. If any funding remains after all projects receive a principal forgiveness allocation, DNR will allocate additional funding, up to \$4,500,000 or 70% of project costs, in priority score order. Projects may receive no more than \$5,000,000 in principal forgiveness. Projects are only eligible to receive principal forgiveness for the portion of costs related to PFAS treatment.

Program Administration

Financial Assistance Agreements

DNR and DOA are required to establish a funding list in each fiscal year that ranks approvable loan applications in the same order that they appear on the priority list. If available funds are not sufficient to fund all approved applications, DOA is required to allocate funding to projects in the order that they appear on the funding list, except that: (a) 15% of the available funds in each

Table 13: Safe Drinking Water Loan Program, Financial Assistance Agreements by Fiscal Year (\$ in Millions)

State Fiscal Year	Loan	Grant and Principal Forgiveness	Total
1998-99	\$53.0	\$0.0	\$53.0
1999-00	9.5	0.0	9.5
2000-01	10.3	0.0	10.3
2001-02	9.0	0.0	9.0
2002-03	11.0	0.0	11.0
2003-04	32.8	0.0	32.8
2004-05	41.8	0.0	41.8
2005-06	28.2	0.0	28.2
2006-07	14.6	0.0	14.6
2007-08	47.7	0.0	47.7
2008-09	25.5	0.0	25.5
2009-10	45.7	37.8	83.5
2010-11	3.8	1.7	5.5
2011-12	31.6	5.9	37.5
2012-13	37.5	8.1	45.6
2013-14	29.6	3.8	33.4
2014-15	57.1	5.8	62.9
2015-16	21.7	3.7	25.4
2016-17	53.0	17.5	70.5
2017-18	43.5	17.4	60.9
2018-19	50.1	4.4	54.4
2019-20	98.4	4.0	102.4
2020-21	41.4	16.6	58.0
2021-22	<u>79.9</u>	<u>24.0</u>	<u>104.0</u>
Total	\$876.7	\$150.6	\$1,027.4

fiscal year would be reserved for projects for public water systems that regularly serve fewer than 10,000 persons; and (b) no local government could receive more than 25% of the funds that DOA projects will be available for the safe drinking water loan program for the biennium.

The safe drinking water loan program entered into 551 financial assistance agreements totaling \$1,027.4 million through June 30, 2022, including \$876.7 million in loans, and \$150.6 million in grants and principal forgiveness. Of this total, \$748 million in loans and \$136 million in grants have been disbursed. Generally, funding commitments are disbursed over several years.

Interest rates have ranged from 0.0% to 3.0%,

and the weighted average interest rate for all loans is 1.58%. As of June 30, 2022, the safe drinking water loan program has received \$459.2 million in loan repayments including \$355.1 million in principal and \$104.1 million in interest.

Table 13 shows the amounts of the financial assistance agreements by fiscal year from 1998-99 (the first year of financial assistance agreements under the program) through 2021-22. Appendix VI shows these financial assistance agreements by municipality.

Financial assistance agreements amounts ranged from \$15,257 to \$40,256,287. The City of Milwaukee, the largest recipient of safe drinking water loans, accounted for \$180.1 million (17.5%) of the \$1,027.4 million in financial assistance agreements as of June 30, 2022.

Intended Use Plan

Federal law requires states to submit an intended use plan to EPA each year prior to receiving capitalization grants. The plans describe funds available for the year and the intended uses of the funds. The federal program allows for several set-asides of funds for administration, source water protection, wellhead protection, technical assistance, state management of public water supply systems and other drinking water activities. Table 14 shows the cumulative set-aside amounts from safe drinking water loan program funds through June 30, 2022, as well as planned set-asides for 2022-23. In addition, as of June 30, 2022, the agencies have "banked," or not requested, administrative set-asides of \$10.4 million, which they can use in the future for the purposes under Table 14. The agencies plan to bank an additional \$708,700 in set-aside authority in 2022-23.

Administration. Federal law authorizes states to use the greater of either: (a) \$400,000; (b) 4% of the capitalization grant received in a given year; or (c) 0.2% of the current valuation of the safe drinking water revolving loan fund for program

Table 14: Safe Drinking Water Loan Program -- Administrative Set-Aside Allocations

Set-Aside Category	Allocated thru June 30, 2022	Allocation in Additional 2022-23
Administration	\$15,994,200	\$1,849,100
Source Water Protection	3,737,900	0
Local Assistance - Wellhead Protection	6,536,100	1,026,400
Local Assistance - Capacity Development	13,396,700	5,569,100
Technical Assistance - Small Systems	6,964,000	235,100
State Program Management (Administration of Public Water Supply Systems, Capacity Development, and Operator Certification)	<u>29,656,400</u>	<u>5,490,200</u>
Total	\$76,285,300	\$14,169,800
Banked Set-Aside	\$10,427,400	\$5,861,900

administration and technical assistance. These funds may be used to provide technical assistance to financial assistance applicants and for the costs of administering the safe drinking water loan program. DNR and DOA will use a total of \$1,849,100 for administration, including \$477,700 from the base capitalization grant, \$1,080,800 from the supplemental capitalization grant, and \$290,600 from the lead service line replacement grant.

Source Water Protection. The Safe Drinking Water Act Amendments of 1996 authorized states to use up to 10% of their federal fiscal year 1997 capitalization grant for source water investigation and assessment. Wisconsin allocated the maximum amount of this set-aside for source water area delineations and assessments of potential contamination sources. (Subsequent federal grant have not been authorized for this purpose.)

Local Assistance - Wellhead Protection. States may use up to 15% of the capitalization grant for assistance to local water systems for source water protection, wellhead and capacity development. States may not use more than 10% of this set-aside for any one activity.

In 2022-23, DNR and DOA will use \$1,026,400 for projects, outreach and assistance that would prevent well water pollution. Funds are

being used to:

- Employ a half-time water supply specialist to help implement a decision support tools system to prevent maximum contaminant level (MCL) exceedance (\$68,300);
- Sponsor workshops on a groundwater sand tank model to train teachers in areas with wellhead protection programs on watershed protection (\$29,600);
- Improve data management and mapping applications used to track contamination sources and develop wellhead protection systems (\$103,500);
- Develop new systems to assess nonpoint sources of nitrates and reduce nitrate MCLs in groundwater (\$425,000);
- Contract with technical partners to develop software-based tools to identify effective ways of preventing nitrogen-based fertilizers from leaching into groundwater recharge areas (\$200,000); and
- Fund studies jointly with the University of Wisconsin System and DATCP to evaluate management practices that reduce the risks of source water contamination (\$200,000).

Local Assistance - Capacity Development. States may use up to 15% of the capitalization grant for assistance to local water systems for source water protection, wellhead and capacity development. States may not use more than 10% of this set-aside for any one activity. In addition to the local assistance set-aside that will be used for wellhead protection, DNR will use \$1,569,100 from the base and supplemental capitalization grants for local capacity development. An additional \$4,000,000 from the lead service line capitalization grant will be used to provide funding for municipalities to complete lead service line inventories.

The local assistance funds from the base and supplemental grants will be used to contract with county and local health agencies for inspection of transient non-community (TNC) systems, including to: (a) conduct annual site visits; (b) collect drinking water quality samples; and (c) conduct inspections of the system at least once every five years.

Additionally, these funds will be provided to counties to conduct private well samples in areas with identified sources of drinking water contamination.

Small System Technical Assistance. Federal law authorizes states to use 2% of capitalization grants to provide training and technical assistance to small public water systems, which are those serving less than 10,000 people.

DNR is using the technical assistance funds to contract with the Wisconsin Rural Water Association to: (a) conduct at least 700 site visits annually to other-than-municipal (OTM) and non-transient non-community (NTNC) water system operators to provide onsite technical assistance, monitoring requirements and schedules, sample collection protocols, reporting and public notice requirements, violation follow-up, contaminant exceedances, operation and maintenance problems, and regulatory compliance; and (b)

deliver monitoring reminders to all the OTM and NTNC water systems in the state quarterly (approximately 5,760 contacts annually) with information about monitoring, sampling, and reporting requirements, sample collection protocols, sampling locations, public notice and notification requirements, and violation follow-up.

State Program Management. Up to 10% of the capitalization grant may be used for state program management, including state capacity development, developing operator certification programs, and administering source water protection programs. DNR will use \$5,490,200 for state program management, including \$4,289,100 to fund 30.5 positions, including 15.5 newly created positions.

The remaining funds will support:

- Computer programming and equipment upgrades;
- Administration of the water system operator certification program, including initial and renewal certification of operators, coordination of training and fulfillment of continuing education requirements with external groups and operators, and fee and database management;
- A contract with the Wisconsin State Laboratory of Hygiene (WSLH) to implement microbial analysis for unsafe coliform bacteria follow-up assessments, train and coordinate with DNR staff on sampling procedures, and coordinate monitoring data exchange between WSLH and DNR;
- Support of courses for operators of municipal waterworks, OTM and NTNC systems;
- Provision of continuing education and exam preparation courses for operators of small water systems; and
- Engaging local health departments to promote the replacement of private-side lead service lines.

Sources and Uses of Funds

Table 15 lists the total sources and uses of safe drinking water loan program funds as of June 30, 2022. The sources of program funds include federal grant proceeds, bond proceeds, funds transferred from the clean water fund program, loan repayments and investment income. Uses of funds include \$748 million in loan disbursements, \$136 million in grant disbursements and principal forgiveness, and \$71 million in administration and set-asides. Additional uses include revenue obligation debt service, financial assistance commitments that have not yet been disbursed, and unexpended funds available for commitment to financial assistance agreements or administrative

expenses in 2022-23 and subsequent years.

Debt Service Costs

The cost to the state under the safe drinking water loan program accrues over time based on the debt service costs of the general obligation and revenue obligation bonds. The debt service costs fund the state match required for the receipt of federal grants. Safe drinking water loan program general obligation debt service is estimated at \$3.7 million in 2022-23. Revenue obligation bond debt service is funded through loan repayments. The total cumulative amount of annual debt service payments for safe drinking water loan program general obligation bonds is shown in Table 16.

Table 15: Safe Drinking Water Loan Program Sources and Uses of Funds Through June 30, 2022 (\$ in Millions)

Sources of Funds	2021-22	Total
Federal Capitalization Grants	\$18.9	\$454.8
General Obligation Bond Proceeds	-	70.8
Revenue Obligation Bond Proceeds	3.8	49.2
Loan Repayments	39.3	460.3
Investment Income	0.1	19.2
Transfer from Clean Water Fund Program	-	87.4
Total Sources of Funds	\$62.1	\$1,141.7
Uses of Funds		
<i>Uses – Financial Assistance Disbursements</i>		
Loan Disbursements	\$39.1	\$748.2
Grants and Principal Forgiveness	28.4	136.3
Subtotal	\$67.5	\$884.5
<i>Uses – Other</i>		
Administrative, Set-Aside and		
Issuance Expense	\$0.0	\$70.6
Revenue Bond Debt Service	2.9	6.0
Subtotal	\$2.9	\$76.6
Commitments and Reserves	19.7	81.6
Unapplied Funds	-27.9	98.9
Total Uses of Funds	\$62.1	\$1,141.7

**Table 16: Safe Drinking Water Loan Program
Payments of General Obligation Bond Debt
Service**

Year	Payment from General Fund (GPR)
1998-99	\$140,500
1999-00	948,700
2000-01	1,133,200
2001-02	1,139,700
2002-03	1,231,100
2003-04 *	666,000
2004-05	1,489,600
2005-06	1,989,700
2006-07	2,318,700
2007-08	2,539,400
2008-09	2,664,600
2009-10 *	1,401,100
2010-11 *	1,656,100
2011-12 *	1,560,200
2012-13	4,446,000
2013-14	5,139,700
2014-15	4,354,200
2015-16	4,746,400
2016-17	5,282,800
2017-18	5,095,400
2018-19	5,822,300
2019-20	4,336,300
2020-21	4,111,300
2021-22	4,321,700
2022-23**	<u>3,730,400</u>
Total	\$72,265,100

*Expenditures in some years are lower than otherwise would have occurred because of the restructuring of certain safe drinking water fund issues or deferral of most principal payments on the state's general obligation (GO) bond program.

** Budgeted.

INACTIVE PROGRAMS

A number of clean water fund subprograms formerly provided financial assistance to municipalities. While these programs are no longer accepting applications, recipients of assistance are still repaying loans. Each program, including its purpose, funding structure, and outstanding obligations, is detailed in the following sections.

Leveraged Loans

Prior to 2016, state costs for the clean water fund were provided through both general obligation bonds and revenue obligation bonds. The 20% state match for federal capitalization grants was provided through general obligation bonds. Match bond proceeds and federal grants were deposited into the direct loan account of the clean water fund.

In addition to the direct loan account, the state managed a leveraged loan account. This account funded additional projects beyond what was available from the federal direct component of the program. The leveraged loans component used the proceeds of general obligation bonds to "leverage" a larger share of capital through the sale of revenue obligation bonds. Under the component, general obligation bonds were used to establish a subsidy reserve fund and revenue obligation bonds established a credit reserve fund.

Subsidy Reserve Fund. General obligation bonds were issued to establish a subsidy reserve

fund. The subsidy reserve fund provided investment income that could be used to subsidize interest rates on financial assistance. The state invested general obligation proceeds in securities, such as U.S. Treasury bonds, to generate income for the subsidy reserve fund. Debt service on bonds issued for the subsidy reserve fund was paid through the general fund. This allowed all revenues from the subsidy reserve fund to be used to subsidize interest rates.

Credit Reserve Fund. Revenue obligation bonds were issued to provide capital for financial assistance on leveraged loans and to establish a credit reserve fund. The credit reserve fund held cash and other liquid assets that could repay revenue obligation debt service if loan repayments were insufficient (for instance, if a municipality defaulted). The credit reserve fund allowed revenue obligations to be issued at lower rates than if revenue bonds were secured by loan repayments alone. Additional security was provided through a state aid intercept provision, which allows the clean water fund to intercept shared revenue payments for a municipality in default for debt service payments.

The leveraged loan component was discontinued in 2015 after the clean water fund program was restructured. All outstanding loans issued under the leveraged component were financially transferred to the direct loan component in 2017. Currently all financial assistance is issued through the direct loan component, which uses a similar leverage mechanism but also relies on federal capitalization grants to subsidize interest rates.

Hardship Financial Assistance

The financial hardship assistance subprogram was included in the original clean water fund program to provide additional state subsidy in municipalities with low income and high annual wastewater charges for residential users. Under 2017 Act 59, this component of the program was eliminated for financial assistance provided as of the 2017-19 biennium.

The program provided financial hardship assistance that reduced residential user charges to an amount as close to 2% of the median household income in the municipality as possible. The median household income of the municipality was required to be 80% or less of the median household income of the state. The maximum financial assistance provided to a municipality, including hardship assistance, was a 70% grant with the remaining 30% of costs provided through a 0% interest rate loan. The municipality was required to pay at least 30% of the eligible costs of the project.

The clean water fund program entered into financial hardship assistance agreements with 97 municipalities totaling \$204,361,500. This included hardship grants totaling \$134,964,600 and hardship loans totaling \$69,396,900. As of June 30, 2022, \$5,011,900 is outstanding on seven loans. The final hardship loan is expected to be retired in 2038.

Proprietary Loans

The proprietary loan portfolio provided financial assistance when a project did not meet all the federal construction or financial criteria of the direct loan component and when the municipality was identified as otherwise eligible for assistance.

Loans were issued from repayments on outstanding loan balances, rather than through federal capitalization grants and state bonds. After the 2015 program restructuring, all projects must meet federal financing and construction criteria for financial assistance. Therefore, the proprietary loans program is no longer active.

A total of 164 projects were funded through the proprietary loans component. These loans received \$179,277,200. As of June 30, 2022, the program had loans outstanding for 25 projects with an aggregate principal balance of \$10,460,400. The final proprietary loans are scheduled to be retired in 2038.

Small Loan Program

1993 Act 16 created the small loan program, which provided an alternate funding source with a simplified application and review process for smaller municipal wastewater treatment projects. The maximum project cost was \$2,000,000. The program funded projects: (a) to maintain compliance with current wastewater standards, such as the addition of equipment not involving major construction; and (b) to comply with a new or changed effluent limit. It began providing interest subsidies in June, 1995.

The small loan program provided an interest rate subsidy on loans issued under the trust fund loan program, operated by the Board of Commissioners of Public Lands (BCPL). The Board manages revenues and assets of the state school trust funds. Trust fund revenues are derived from timber sales on Board land holdings, fines, forfeitures, escheated property and other sources. The majority of the Board's funds are invested in loans granted to school districts and municipalities. Eligible units of government for the small loan program included: (a) sewerage and sanitary districts;

(b) towns; (c) villages; (d) cities; (e) counties; and (f) public inland lake protection and rehabilitation districts.

Under the small loan program, a municipality obtained a BCPL trust fund loan to fund a wastewater treatment project. The municipality also entered into an agreement with the clean water fund program to provide an annual subsidy of the BCPL loan interest rate. Assistance provided under the small loan program was provided at the same reduced interest rates as clean water fund financial assistance provided through the direct loan portfolio (either 33% or 55% of the market interest rate, as determined by DOA).

The clean water fund program makes payments from the clean water fund to the municipality for the interest rate subsidy on outstanding loans. Interest rate subsidies are funded through proprietary loan repayments. Because the proprietary loans component was discontinued, no new income is available for future small loan interest subsidies. In January 2022, the small loans program was closed to new applicants.

Through June 30, 2022, the small loan program had provided interest subsidy of \$4,823,000 on 100 loans that have a total loan amount of \$33,943,800. Subsidized interest rates provided through the small loan program have ranged from 0.9% to 4.0%. The small loan program has paid between 16% and 97% of the interest on trust fund loans. The final small loans are expected to be retired in 2042. BCPL trust fund loans may be repaid early with no penalty.

Land Recycling Loan Program

In 1997 Act 27, the land recycling loan program (LRLP) was created within the clean water fund program to provide financial assistance to

local governments (including cities, villages, towns, counties, redevelopment authorities or housing authorities) for the investigation and remediation of contamination at sites or facilities owned by the local government if the contamination has affected, or threatens to affect, groundwater or surface water.

The program, also referred to as the brown-fields program, has not made loans since 2008. The statutes still authorize up to \$299,657 for potential loans, and the program continues to collect repayments from prior loans. Further, an outstanding balance remains due from a loan to the dry cleaner environmental response program.

Program Requirements

The land recycling loan program was authorized funds of up to \$20 million, which came from reallocation of repayments from local governments of clean water fund program loans. If not used for the land recycling loan program, funds would have been used for clean water fund financial assistance.

The program provided the highest priority to a site with one or more public water supply wells or private drinking water supply wells above maximum contaminant levels in DNR administrative rules.

DNR and DOA are authorized to use the following methods to provide financial assistance under the land recycling loan program: (a) make loans with an interest rate of 0%; (b) purchase or refinance certain debt obligations of a local government, if the debt was incurred to finance the cost of an eligible project; and (c) guarantee or purchase insurance for certain obligations incurred to finance the cost of eligible projects.

Local governments are required to, as a condition of receiving financial assistance under the program: (a) establish a dedicated source of

revenue to repay the financial assistance; (b) comply with applicable federal and state statutes and rules; and (c) allow DNR access to the property to make inspections. A local government must sell a site or facility remediated under the program for not less than fair market value if the loan is outstanding. A local government that sells a site or facility remediated under the program must apply the sales proceeds first toward any state land recycling loan balance, then toward the cost of the land plus the cost of remediation, third toward any state subsidy and finally any remaining funds are retained by the municipality. Any sale proceeds remaining after the subsidy is fully paid belong entirely to the municipality.

LRLP Loan to Dry Cleaner Program

Under 2009 Wisconsin Act 28, DOA and DNR were authorized to transfer up to \$6.2 million from the LRLP to the dry cleaner environmental response program (DERP) administered by DNR. The DERP provides reimbursement to owners for a portion of the costs of cleaning up discharges of dry cleaning solvents. (For more information about the dry cleaner environmental response program, see the Legislative Fiscal Bureau's informational paper entitled, "Contaminated Land Cleanup Programs.")

DNR and DOA entered into a memorandum of understanding and transferred the maximum amount of \$6.2 million from the LRLP to the segregated dry cleaner environmental response fund

(DERF) between 2009-10 and 2013-14. DOA assesses interest on the transferred funds at a rate no less than 0% and no greater than the EIF market interest rate. As of June 30, 2022, the interest rate on the transferred funds was 0.981%, based on the rate earned for state investment fund earnings. Under the term of the loan, as approved by EPA, a loan repayment is required from the DERF to the EIF of at least \$1,000 per year. The entire loan must be repaid, and cannot be forgiven. As of June 30, 2022, \$13,000 in principal has been repaid on the loan and \$5,900 in interest has been repaid. A total of \$412,100 in interest has accrued and \$6,599,100 is owed by the DERF to the EIF.

Financial Assistance Agreements

The land recycling loan program entered into 10 financial assistance agreements totaling \$15,218,900 with nine municipalities. The last agreement was entered into in 2008. These loans are included in the Appendix V list of clean water fund financial assistance agreements. Actual disbursements were \$13,500,300. As of June 30, 2022, \$12,729,600 has been repaid and \$770,800 is outstanding. The final brownfields loan is expected to be retired in 2027.

The remaining unallocated LRLP funds total \$299,657. While statutes continue to authorize use of these funds for financial assistance under the program, DNR and DOA have not found an eligible applicant for these funds since 2008.

ENVIRONMENTAL IMPROVEMENT FUND ADMINISTRATION

Agency Responsibilities and Funding

Funding for administration of the environmental improvement fund is provided from segregated revenues generated from the repayment of clean water fund loans, safe drinking water loans and land recycling loans, interest earned on bond proceeds, and federal administrative grants.

Department of Natural Resources

DNR is authorized \$7,855,700 and 55.5 positions in 2022-23 for administration of the environmental improvement fund programs. This includes: (a) \$2,302,200 environmental improvement fund (EIF) SEG with 15.5 positions; (b) \$2,481,400 clean water fund FED with 21.0 positions; and (c) \$3,072,100 safe drinking water loan program FED with 19.0 positions. The source of EIF revenues is interest income from the loan portfolio balance from certain clean water fund loans for municipal wastewater treatment facilities and proceeds from certain past general obligation bonds issued to pay state subsidy on loans to municipalities.

The Department manages all aspects of the environmental improvement fund program not specifically assigned to DOA. DNR's specific duties include the following:

1. Calculate project priority values.
 2. Take the lead state role in relations with EPA, including agreements necessary to receive a capitalization grant for the clean water fund program and the safe drinking water loan program.
 3. Cooperate with DOA in administration of the environmental improvement fund programs.
 4. Take the lead state role with municipalities in providing environmental improvement fund information, and cooperate with DOA in providing such information.
 5. Periodically inspect project construction under the environmental improvement fund to determine project compliance with construction plans and specifications approved by DNR.
 6. Submit a biennial budget request for the environmental improvement fund program.
 7. Establish eligibility requirements and determine eligibility for financial assistance.
 8. Make commitments of financial assistance subject to a certification by DOA that the municipality has demonstrated that it is financially able to repay the loan, and that the assistance meets any terms and conditions established by DOA relating to financial management.
 9. Approve applications, facility plans, and construction plans and specifications.
 10. Determine annual funding policies.
 11. Prepare a biennial list of the estimated need for wastewater, drinking water and land recycling projects.
- 2017 Act 59 expanded eligible EIF activities to include wastewater permitting activities under s. 283.31 of the statutes. Since 2017-18, DNR has allocated 2.0 EIF SEG positions for under this

authority for regulation of concentrated animal feeding operations (CAFOs). These positions are estimated to cost \$183,700 annually. Other CAFO regulatory staff are funded primarily from the non-point account of the environmental fund and GPR. For additional information on CAFO regulation and its funding, see the Legislative Fiscal Bureau informational paper entitled "Nonpoint Source Pollution Abatement."

Department of Administration

DOA is authorized \$829,000 EIF SEG with 5.2 positions in 2022-23 to provide financial management of the environmental improvement fund program. DOA responsibilities include the following:

1. Manage and implement certain financial aspects of the environmental improvement fund program.
2. Cooperate with DNR in administering the program.
3. Manage environmental improvement funds with Building Commission authorization, issue environmental improvement fund revenue bonds and distribute the proceeds of the environmental improvement fund revenue obligations.
4. Establish terms and conditions of financial assistance, including the type of municipal obligation required for repayment. Before DNR and DOA can sign a financial assistance agreement with a municipality, DOA is responsible for certifying that the municipality demonstrated that it has the financial capacity to: (a) pay the debt service on its obligations; (b) meet operation and maintenance costs of the project for its useful life; and (c) meet the terms and conditions established.
5. Disburse loans and collect municipal payments.
6. Direct the investments of the environmental improvement fund.

7. If necessary, audit or contract for audits of projects receiving financial assistance under the program.

Joint Responsibilities

Joint responsibilities of DNR and DOA include the following:

1. Prepare a biennial finance plan.
2. Charge and collect service fees.
3. Determine conditions of financial assistance.
4. Establish the loan payment and repayment schedule.
5. Enter into a financial assistance agreement with a municipality.
6. Submit the required reports to the Legislature and Building Commission on program implementation.

Loan Service Fees

Statutes authorize DNR and DOA to establish administrative rules to charge and collect administrative service fees from loan recipients to recover the costs of administering the clean water fund program and safe drinking water loan program.

Section NR 162.21 of the administrative code authorizes DNR and DOA to establish administrative service fees for clean water fund loans in the biennial finance plan. Beginning in 2018, DOA began collecting a loan service fee for clean water fund loans, equaling 0.25% of the outstanding balance on clean water fund loans that have an interest rate of greater than 0%, effective with loans entered into during the 2017-19 biennium.

Under 2015 Act 55, statutory authorization for administrative service fees was expanded to include safe drinking water loans. DOA currently collects a 0.25% service fee on all loans issued after July 1, 2017.

The loan service fee is included in the interest rate charged on clean water fund program loans, and does not increase the interest rate paid by municipal borrowers. As of June 30, 2022, DOA has collected service fees totaling \$2,674,400 for clean water fund loans and \$344,600 for safe drinking water loans.

Bonding Provisions

The environmental improvement fund program contains several provisions related to the issuance of bonds, including private versus public sale of bonds, requirements for minority underwriter participation and the moral obligation requirement that can be attached to a clean water fund loan.

Public Versus Private Sale

Bonds may be sold in either a public sale or a private sale. A public sale means a competitive sale, in which the state takes bids for the bonds from all interested underwriters and awards the sale to the lowest bidder. A private sale also means a negotiated sale, in which the state may make the sale to an underwriter based on a negotiated price. The award does not have to be made to the lowest bidder and the state may choose to deal with only one firm. Negotiated, or private, sales are generally made in cases where, due to the complexity of the bond issue, there are few underwriters with the necessary expertise to fulfill the state's needs. Under current law, environmental improvement fund revenue bonds can be sold at either of a private sale or a public, competitive sale.

Minority Underwriters

The statutes require that at least 6% of revenue and general obligation bonds and operating notes be underwritten by minority investment firms. In addition, the statutes establish a requirement that at least 6% of the services of financial advisers in the sales of bonds and notes shall be awarded to minority firms. The law specifies that all bids or proposals by underwriters or syndicates of underwriters ensure that a portion of sales are to minority investment firms. If DOA is unable to achieve the 6% participation requirement, the Secretary of DOA is required to submit a report explaining the reasons to the Legislature's Joint Committee on Finance.

Moral Obligation

The Building Commission is authorized to designate, by resolution, that a legislative moral obligation exists for certain loan obligations under the environmental improvement fund. If payments from a municipality on any loan designated are insufficient, DOA could certify the amount of the insufficiency to the Secretary of DOA, the Governor and the Joint Committee on Finance. The Joint Committee on Finance would be required to introduce a bill with an appropriation of the amount needed to pay the revenue obligation. The statutes express the Legislature's expectation and aspiration to make such an appropriation if ever called upon to do so. No moral obligation designations have been made to date.

Investment Authority

DOA may purchase or acquire, negotiate, sell or otherwise dispose of environmental improvement fund loans at the price and terms it establishes. Further, DOA is authorized to direct the Investment Board to make any investment of the environmental improvement fund if it provides a financial benefit to the fund, the action does not weaken the purposes of the fund, and the Building Commission approves the investment action. The Investment Board is relieved of any obligations

relevant to prudent investment in making the investments directed by DOA. The Department may also enter into agreements with the federal government, private entities or others to insure or, in any other manner, provide additional security for the state's revenue obligations.

Bonds Issued

Wisconsin's clean water fund state match was provided with general obligation bond proceeds prior to federal fiscal year 2016 (state fiscal year 2016-17). In addition, the program had used the proceeds of clean water fund revenue bonds to leverage a larger amount of capital to make loans to municipalities for eligible projects. All new clean water fund loans made as of 2015-16 have been made with the proceeds of revenue bonds and federal grants. The safe drinking water loan program also transitioned to a revenue obligation bond funding model beginning in 2019. General obligation bonds are repaid from the state's general fund taxes and loan repayments. Revenue obligation bonds are supported by loan repayments from municipalities.

A total of \$3.29 billion in bonds has been authorized for the EIF program, including \$734.7 million in general obligation bonds and \$2.55 billion in revenue obligation bonds. This is shown in Table 17. This includes 2021 Wisconsin Act 58 authorization of \$24.7 million in revenue

obligations. As December 15, 2022, \$2.80 billion of obligations have been issued, and \$426.5 million in principal is outstanding.

Green Bonds. Since 2020, the state has marketed recent EIF revenue bond issuances as "green bonds," a designation indicating that a bond directly funds environmentally beneficial projects. Investors may seek out green bonds in order to fulfill environmental, social and governance (ESG) investment goals, or to meet legal or contractual obligations to offset emissions. Additionally, retail investors have increasingly shown a willingness to purchase investments that fund ecologically beneficial activities. Investors have demonstrated a willingness to pay a premium for green bonds, reducing the effective interest rate on an issue by as much as 0.05 percentage points. As of January, 2023, a total of \$230 million in EIF revenue bonds have been marketed and sold as green bonds.

Municipal Financing Requirements

Repayment Methods

Subject to the terms of the financial agreement between the municipality and the state, a municipality is statutorily authorized to repay

Table 17: Environmental Improvement Fund Bonds, July 1, 2022

	Bonds Authorized	Bonds Issued	Principal Outstanding
Clean water fund program -- general obligation	\$659,783,200	\$659,504,644	\$55,780,957
Safe drinking water loan program -- general obligation	<u>74,950,000</u>	<u>71,398,306</u>	<u>25,734,073</u>
Subtotal -- general obligation	\$734,733,200	\$730,902,950	\$81,515,030
Clean water fund program and environmental improvement fund -- revenue obligation	<u>2,551,400,400</u>	<u>2,066,245,000</u>	<u>344,970,000</u>
Total	\$3,286,133,200	\$2,797,147,950	\$426,485,030

environmental improvement fund loans from any legal means, including: (a) general funds; (b) proceeds of the sale of obligations; (c) proceeds of the sale of public improvements bonds; (d) proceeds of revenue obligations; (e) sewerage system or water system user charges; and (f) proceeds of special obligation bonds. In practice, municipalities repay environmental improvement fund loans through one or more of the following: (a) tax levy; (b) sewerage or water system user charges; or (c) proceeds from special assessments levied for the project.

Loan Anticipation Notes

If a municipality has received a commitment

for an environmental improvement fund loan, but wishes to begin a project in advance of that loan, it may issue a loan anticipation note. This note could be refunded one or more times, and would be structured so that the note could be retired when the clean water fund loan is received, but not later than five years after the original date of the original obligation.

DOA must notify DNR if a municipality fails to make a principal repayment or interest payment by its due date. DOA may then collect the amounts due by deducting them from any state payments due the municipality or may add a special charge to the amount of taxes levied on the county.

APPENDICES

Several appendices provide additional program information. These include:

- Appendix I provides a glossary of key terms to assist with understanding program terminology.
- Appendix II describes the components of a wastewater treatment facility.
- Appendix III describes the biennial finance plan process for the environmental improvement fund that includes funding and statutory requests for the upcoming biennium.
- Appendix IV describes the categories and qualifications for clean water fund principal forgiveness in 2022-23.
- Appendix V lists clean water fund financial assistance agreements as of June 30, 2022.
- Appendix VI lists safe drinking water loan program financial assistance agreements as of June 30, 2022.

APPENDIX I

A Glossary of Key Terms

Advanced or Tertiary Wastewater Treatment. Treatment of wastewater that is required beyond the generally-required secondary treatment.

Areawide Water Quality Management Plans. Plans prepared by the Department of Natural Resources (DNR) or a designated planning agency as required by the U.S. Environmental Protection Agency (EPA) and state statute for specific planning areas of the state. These areas are defined based upon water quality-related criteria. The plans: (a) define water quality problems in each area; (b) propose solutions; (c) delineate service areas for treatment of point source pollution; (d) identify the local agencies responsible for pollution abatement efforts; and (e) identify "best management practices" for nonpoint source pollution abatement efforts. Each plan requires approval by the Governor and EPA.

Collection System or Collector Sewer. The type of sewer that generally runs beneath streets and collects sewage from individual homes and commercial or industrial establishments. Collectors differ from lateral sewers, which are the pipes that join an individual home or establishment with a collector sewer and are privately owned and maintained. Generally, sewage flows from lateral sewers to collector sewers, to interceptors, then to the treatment plant.

Community Water System. A public water system that serves at least 15 service connections used by year-round residents of the area served by the public water system or regularly serves at least 25 year-round residents.

Compliance Maintenance. A program and actions by municipalities to maintain compliance

with a WPDES permit, intended to prevent violations of discharge limits that cause degradation of water quality.

Interceptor. The type of sewer that receives sewage from collector sewers and transports it to a sewage treatment plant. Interceptors differ from collectors in that they generally do not receive sewage from individual homes or other establishments, but are only used for conveying sewage to a treatment plant.

Lateral. A pipe that can be one of two types: (1) a pipe that carries drinking water from the public drinking water system pipe in the street to an individual residence or establishment; or (2) a pipe that is the portion of the sanitary sewer that conveys sewage from an individual residence or establishment to a public sewage collection system. Laterals, or water service lines, are generally on private property, and are privately owned and maintained.

Municipal Water System. A community water system owned by a city, village, county, town, town sanitary district, utility district, public inland lake and rehabilitation district, municipal water district or a federal, state, county, or municipal-owned institution for congregate care or correction, or a privately owned water utility serving the municipality.

New and Changed Limits. This refers to pollution effluent limit changes that occur due to new or changed standards in the federal or state water pollution control laws. Examples are standards for toxic substances that are included in new rules on surface water pollution but were not a part of previous regulations except on a case-by-case basis.

Non-Community Water System. A public water system that is not a community water system. A non-community water system may be either a non-transient non-community water system or a transient non-community water system.

Nonpoint Source Pollution. Water pollution not attributable to a single, well-defined point of origin, but that is carried by rainfall or snowmelt from a variety of sources, such as storm water runoff, farm fields, barnyards, construction sites, highways, streets and parking lots.

Non-Transient Non-Community Water System. A non-community water system that regularly serves at least 25 of the same persons over six months per year. Examples include systems serving some schools, day care centers, and factories.

Point Source Pollution. Water pollution emanating from a distinct, easily-definable source such as the end of a pipe.

Primary Treatment. The least complex and least effective of three possible treatment levels, which relies on screen, filters and a settling process to mechanically remove pollutants. It is generally 30-35% effective.

Public Water System. A system providing piped water to the public for human consumption if the water system has at least 15 service connections or regularly serves an average of at least 25 individuals for at least 60 days each year. A public water system is either a community water system or a non-community water system.

Publicly-Owned Treatment Works. The term used for a sewerage system, including collectors, interceptors, treatment facilities and other appurtenances owned by a governmental entity for the primary purpose of treating residential sewage.

Sanitary Sewer. Any pipe that conveys domestic wastewater (sanitary wastes) from its origin to

a treatment site or discharge point.

Secondary Treatment. Wastewater treatment more sophisticated than primary treatment, and that utilizes bacteria to consume organic pollutants. Proper secondary treatment eliminates 85-90% of the pollutants in wastewater.

Sewage or Wastewater Treatment Plant. The facility in a municipal sewerage system that removes pollutants before the wastewater is discharged into a lake, stream or the groundwater.

Sewerage System. A term used to describe the entire system of sewers and treatment facilities used to transport, treat and discharge sewage.

Sludge. The accumulated wastes removed from wastewater at the treatment stage and composed of a semi-liquid mass.

Storm Sewer. A pipe that collects rain runoff and conveys it to a lake or stream in order to prevent flooding in developed areas.

Transient Non-Community Water System. A non-community water system serving at least 25 persons per day at least 60 days out of the year. Examples include some commercial establishments, restaurants, motels, and campgrounds.

Urban Storm Water Runoff. Water runoff produced by established residential, commercial, industrial, institutional, and transportation land uses where the absorptive capacity of the earth is drastically reduced, due to the creation of impervious areas such as rooftops, sidewalks, street surfaces, parking areas, and other hard surfaces.

Wastewater Pollutant Discharge Elimination System (WPDES). A system administered by DNR that develops permits for each discharger and specifies what requirements the municipality must meet for each point source.

APPENDIX II

Description of Wastewater Treatment Systems

In general, there are two types of systems used to treat and dispose of sewage. The first is used in urbanized areas where the density of residences and commercial establishments allow a municipal government to capture economies of scale by building a centralized system that collects wastewater from a wide area, transports it to a central site, treats the wastewater and discharges it to a nearby lake, stream or land. The other alternative is an "onsite" system, used generally in areas where residential density makes a centralized sewage system too expensive. It relies on a collection and treatment system existing on a single property and discharges the treated wastewater into the ground.

With either system, the problems to be solved are the same. The first problem is the removal of domestic sewage wastes before they can become a health problem. The second problem arises once a means of removing the wastes has been devised. These wastes must be disposed of in a way that will not pollute either surface waters--lakes or streams--or the groundwater.

Where density allows, which is generally in an urbanized area, both cost factors and the need to transport a large amount of sewage away from population areas for health reasons tend to favor a centralized sewage collection and treatment system. The major components of such a system are: (a) the collection system; (b) the transport system; and (c) the treatment and discharge system.

The Collection System

Sewage is collected from individual residences by means of a lateral sewer, which runs from the residence to a collector sewer, usually in the street adjacent to the property. Any portion of the lateral

that is not on public property (typically from the curb to the home or business) is generally the responsibility of the private property owner, and not the municipality. Thus, it is generally the resident's responsibility for maintenance purposes. The collector sewer is publicly-owned and serves many residences.

The sewage collection system runs parallel to, and sometimes is part of, another system, the storm water collection system. Storm water collection is necessary to remove rain and melting snow from developed areas to prevent flooding. In the older portions of some larger cities, both domestic wastes and storm water are discharged into the same pipe, which is called a combined sewer. This type of system was often installed in the late nineteenth century or the early twentieth century and many of these systems are still in place. Storm water is not generally treated, but is conveyed and discharged directly to a lake or stream. But with combined sewers, storm water mixes with the sewage already present in the pipe, requiring all the water to be treated. Because storm water is generally much greater in volume, collection or treatment capacity may be exceeded, causing by-passes.

Transport System

Once sewage is collected from a residential or commercial area, it must be transported to the treatment plant, which may be located at considerable distance because of the need to treat the sewage near a suitable discharge point and, preferably, away from a residential area. Sewers that do the transporting (and do not receive individual lateral connections) are called interceptors. Interceptors can be any size, but are generally the largest pipes in the system. Interceptors transport the

sewage to the treatment plant by gravity, if possible. Otherwise, pump stations are used to move the sewage uphill where necessary. Sewers used to transport sewage against gravity are generally termed force mains.

Treatment and Discharge System

Once conveyed to a central site, the sewage is treated and discharged. The treatment site is referred to as a sewage treatment plant, wastewater treatment plant or publicly-owned treatment works, depending on the context. At present, most sewage is treated by a method known as secondary treatment, a system that uses bacteria to consume organic pollutants and uses screens, filters and a settling process to remove solids in the water. Frequently, the water will be disinfected as well. Once treated, the water is discharged through an outfall pipe to a lake or a stream, or is spread on land for land disposal.

The solids removed from the water are termed "sludge." Sludge disposal, often the most difficult part of the process, can be done by land application as a fertilizer in an agricultural area, disposal in a sanitary landfill, or by processing into a fertilizer to be marketed commercially. The best-known example of commercial marketing is "Milorganite," a fertilizer produced by the Milwaukee Metropolitan Sewerage District.

If the volume of sewage is too great to be treated by a wastewater treatment plant, it can overload a plant and cause serious damage. Preventing this damage occasionally requires the provision of storage facilities, either by increasing the size of interceptor sewers or by building separate facilities. The "deep tunnels" of Milwaukee and Chicago are examples of storage facilities. If capacity is exceeded and storage is not provided, sewage is frequently diverted from the sewer system directly into a lake or stream untreated. This practice, which must be eliminated under federal and state law, is called a "bypass" or an "over

flow." It can be present in any system with inadequate capacity, but is a common problem with systems containing uncorrected combined sewer problems.

Emphasis on Prevention of Discharge Violations

Facilities discharging waste to state waters are required to operate under a Wisconsin pollutant discharge elimination system (WPDES) permit issued by DNR. These permits establish requirements a municipality must meet for each point source of pollution. If that standard is being exceeded at the time the permit is issued, the permit provides a compliance schedule, which is a legally binding step-by-step set of requirements regarding how and when a municipality is to achieve compliance with the permit.

Compliance Maintenance Program. DNR administrative rules include a compliance maintenance program that encourages and, where necessary, requires municipalities to take necessary actions to avoid water quality degradation and prevent violations of WPDES permit effluent limits.

Annual Report. Municipalities must submit annual reports to the DNR assessing the physical condition and performance of their sewerage systems. The report contains a point system component to identify whether voluntary or required actions are needed to maintain or improve the existing sewerage system. Under the point system, three action levels are established: (a) "voluntary range," where the municipality may initiate longer range planning for new, upgraded or additional treatment facilities; (b) "Department recommendation range," where DNR notifies the municipality that an "operation and needs review" is recommended; and (c) "Department action range," where DNR requires the municipality to complete an operation and needs review, and to implement any needed action.

APPENDIX III

Biennial Finance Plan Process

The statutes require the Departments of Administration and Natural Resources to prepare a biennial finance plan for the environmental improvement fund. This planning process includes:

Project Needs List. By May 1 of each even-numbered year, DNR is required to prepare and submit to DOA a biennial needs list that includes: (a) a list of wastewater treatment projects, drinking water projects and land recycling loan program projects that DNR estimates will apply for financial assistance during the next biennium; (b) the estimated cost and construction schedule of each of the projects; and (c) the estimated priority rank of each project. The priority score is assigned on the basis of environmental priorities defined in DNR administrative rules.

Development of the Plan. DOA and DNR are required to jointly prepare the biennial finance plan. The plan must include: (a) an estimate of wastewater treatment, safe drinking water and land recycling loan project needs of the state for the four fiscal years of the next two biennia; (b) the total amount that DOA projects will be available to provide for financial assistance to municipalities for projects during the next biennium; (c) a chart showing the sources and uses of funds for the financial assistance to be provided to municipalities during the next biennium; (d) the extent to which funding in the clean water fund program and the safe drinking water loan program would be maintained in perpetuity; (e) audited financial statements of the past operations and activities of the clean water fund program, the safe drinking water loan program and the land recycling loan program; (f) the estimated EIF capital available in each of the next four fiscal years for the clean water fund program and the safe drinking water loan program; (g) the projected fund balance for the clean water fund

and safe drinking water loan program for each of the next 20 years given existing obligations and financial conditions; (h) the percentage of market interest rate for the projects to be funded during the biennium; (i) the amount of any service fee to be charged to any applicant during the next biennium; and (j) the impact of the biennial finance plan on a guideline related to water pollution abatement debt service, which is that all state water pollution abatement general obligation bond debt service costs not exceed 50% of all general obligation debt service costs to the state.

Biennial Finance Plan Review. By October 1 of each even-numbered year, DNR and DOA are required to submit copies of the biennial finance plan to the State Building Commission, the Joint Committee on Finance and the standing committees of the Legislature having jurisdiction over environmental issues. DNR and DOA must submit an amended plan reflecting the Governor's biennial budget recommendations to those committees and the Building Commission within 30 days after the Governor's biennial budget submission. DNR and DOA must submit an updated plan, with any enacted modifications, no later than 30 days after the Governor signs the biennial budget act. The Building Commission has the authority to approve or disapprove any part of the plan other than the subsidy and bonding authorizations approved by the Legislature.

Report to the Legislature. No later than November 1 of each odd-numbered year, DOA and DNR are required to jointly submit a report to the Building Commission, Joint Committee on Finance and the appropriate standing committees of the Legislature. The report is to contain information on the operations and activities of the environmental improvement fund for the previous biennium.

APPENDIX IV

Qualifications for 2022-23 CWF Principal Forgiveness

Principal Forgiveness Category	General Projects	Regionalization	Phosphorus Reduction	Energy Efficiency
Eligible Projects	Any project that is eligible for CWF financial assistance.	Projects that would eliminate discharge from at least one wastewater treatment plant and sewage is redirected to a nearby treatment plant.	Capital upgrades that would reduce wastewater treatment plant phosphorus discharges.	Projects that would reduce energy use, including equipment upgrades, operational changes and renewable energy generation. Jointly funded through the <i>Focus on Energy</i> program.
Total Amount Available	\$41,547,010 is available for general projects and regionalization projects.		\$10,000,000	\$250,000
Percent of Project Costs	Up to 70%	Up to 70%	50% of the phosphorus reduction related costs of capital projects.	<i>Focus on Energy</i> program funding matched 1-to-1 but no more than 70% of project costs.
Maximum PF Allotment Per Project	\$2,000,000	\$3,000,000 for the first treatment plant discharge eliminated and \$1,500,000 for each additional treatment plant discharge eliminated.	\$1,000,000 for projects that would bring a treatment work in compliance with its final phosphorus limit. \$500,000 for projects that would allow a treatment work to reach compliance with an interim phosphorus discharge limit. A lifetime limit of \$1,000,000.	\$50,000
Qualifications	PF is reserved for disadvantaged communities. Priority is given to communities with small or declining populations, low median household incomes, high family poverty rates or high shares of low-income people, or high county unemployment rates, as well as Green Tier Legacy Communities.	Regionalization PF is allotted to a project first, before the project is considered for any other qualified sources of PF.	Applicants must demonstrate financial need. Projects must: (a) involve phosphorous-related upgrades to a WWTP; and (b) be necessary to reach compliance with either an interim or final phosphorous WPDES standard.	Applicants must participate in an energy efficiency project funded through the <i>Focus on Energy</i> program. Applications are considered on a first-come first-served basis until all funds are expended.
Deadline for Application	September 30, 2022	September 30, 2022	September 30, 2022	No deadline; applications are accepted on a rolling basis until all funds are expended.

APPENDIX V

Clean Water Fund Program Financial Assistance Agreements as of June 30, 2022

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Adams County			
City of Adams	-	\$2,464,069	\$2,464,069
Ashland County			
City of Ashland	\$1,522,500	13,175,211	14,697,711
City of Mellen	895,217	1,668,789	2,564,006
Madeline Sanitary District	-	590,999	590,999
Village of Butternut	246,712	147,807	394,519
Barron County			
City of Barron	114,527	330,657	445,184
City of Chetek	260,894	807,859	1,068,753
City of Cumberland	500,000	927,675	1,427,675
Crystal Lake Sanitary District #1	299,316	-	299,316
Village of Almena	793,544	2,373,245	3,166,789
Village of Cameron	95,028	175,109	270,137
Village of Dallas	-	481,364	481,364
Village of Haugen	-	284,539	284,539
Bayfield County			
City of Bayfield	7,398,131	2,363,864	9,761,995
Iron River Sanitary District #1	-	716,537	716,537
Pikes Bay Sanitary District	-	1,620,600	1,620,600
Brown County			
Bayshore Sanitary District	-	946,574	946,574
City of De Pere	-	916,322	916,322
Dyckesville Sanitary District	-	3,126,990	3,126,990
Green Bay Metropolitan Sewerage District	21,236,311	296,217,032	317,453,343
Holland Sanitary District #1	508,928	11,907,988	12,416,916
Morrison Sanitary District #1	2,643,884	293,765	2,937,649
Oneida Tribe of Indians	297,303	1,209,908	1,507,211
Royal Scot Sanitary District	983,861	510,289	1,494,150
Village of Allouez	275,838	3,756,282	4,032,120
Village of Bellevue	23,707	-	23,707
Village of Denmark	580,458	4,578,309	5,158,767
Village of Pulaski	4,615,776	1,756,958	6,372,734
Village of Suamico	-	9,939,969	9,939,969
Village of Wrightstown	-	6,225,722	6,225,722
Wrightstown Sanitary District #1	38,362	1,426,186	1,464,548
Buffalo County			
City of Alma	536,759	357,838	894,597
City of Fountain City	-	450,556	450,556
Village of Nelson	276,643	806,022	1,082,665

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Burnett County			
Danbury Sanitary District	\$1,105,020	-	\$1,105,020
St. Croix Chippewa Indians of Wisconsin	1,657,530	-	1,657,530
Village of Grantsburg	-	\$328,436	328,436
Village of Webster	-	204,020	204,020
Calumet County			
City of Brillion	-	1,064,130	1,064,130
City of Chilton	-	5,736,871	5,736,871
City of New Holstein	364,382	3,583,735	3,948,117
Forest Junction Sanitary District	258,450	1,269,000	1,527,450
Village of Hilbert	500,000	6,548,126	7,048,126
Village of Sherwood	-	2,710,650	2,710,650
Chippewa County			
City of Bloomer	2,055,372	9,086,034	11,141,406
City of Chippewa Falls	874,052	11,003,275	11,877,327
City of Cornell	750,000	3,909,765	4,659,765
Village of New Auburn	180,135	731,836	911,971
Clark County			
City of Abbotsford	-	1,403,359	1,403,359
City of Colby	-	2,837,013	2,837,013
City of Greenwood	741,625	1,272,167	2,013,792
City of Loyal	-	728,665	728,665
City of Neillsville	-	3,237,767	3,237,767
City of Owen	1,155,500	2,518,518	3,674,018
City of Thorp	-	343,789	343,789
Village of Curtiss	679,500	1,081,808	1,761,308
Village of Dorchester	154,119	289,610	443,729
Columbia County			
City of Columbus	592,109	5,425,473	6,017,582
City of Lodi	-	4,049,571	4,049,571
City of Portage	-	5,508,632	5,508,632
City of Wisconsin Dells	410,929	5,099,796	5,510,725
Harmony Grove - Okee Sewerage Commission	-	2,326,813	2,326,813
Village of Arlington	155,864	2,545,079	2,700,943
Village of Cambria	301,675	301,675	603,350
Village of Poynette	-	2,287,561	2,287,561
Village of Rio	219,492	1,243,790	1,463,282
Village of Wyocena	-	389,253	389,253
Wisconsin Dells - Lake Delton Sewerage Commission	-	1,935,060	1,935,060
Crawford County			
City of Prairie du Chien	-	5,628,300	5,628,300
Seneca Sanitary District #1	130,000	-	130,000
Valley Ridge Clean Water Commission	5,436,402	748,829	6,185,231
Village of Eastman	1,597,580	908,000	2,505,580
Village of Gays Mills	-	180,185	180,185
Village of Soldiers Grove	303,257	210,986	514,243
Village of Wauzeka	-	128,137	128,137

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Dane County			
City of Middleton	\$93,528	-	\$93,528
City of Stoughton - Utilities	-	\$14,746,057	14,746,057
City of Sun Prairie	-	33,496,541	33,496,541
Madison Metropolitan Sewerage District	328,439	302,126,696	302,455,135
Pleasant Springs Sanitary District #1	-	1,029,086	1,029,086
Roxbury Sanitary District #1	-	939,610	939,610
Village of Belleville	-	9,251,632	9,251,632
Village of Black Earth	10,000	5,251,764	5,261,764
Village of Blue Mounds	-	1,152,260	1,152,260
Village of Brooklyn	849,123	5,847,824	6,696,947
Village of Cambridge	-	6,675,514	6,675,514
Village of Cottage Grove	-	7,188,424	7,188,424
Village of Cross Plains	-	11,072,837	11,072,837
Village of Dane	-	1,227,831	1,227,831
Village of Deerfield	-	5,070,284	5,070,284
Village of Marshall	-	7,744,261	7,744,261
Village of Mazomanie	-	4,752,614	4,752,614
Village of Mount Horeb	-	21,960,654	21,960,654
Village of Oregon	-	6,784,531	6,784,531
Village of Rockdale	-	876,526	876,526
Village of Windsor	547,008	277,600	824,608
Dodge County			
Ashippun Sanitary District	233,989	4,661,836	4,895,825
City of Beaver Dam	10,552,020	12,174,660	22,726,680
City of Horicon	-	637,813	637,813
City of Juneau	-	1,365,108	1,365,108
City of Mayville	131,762	2,522,150	2,653,912
City of Waupun	-	6,249,200	6,249,200
Lebanon Sanitary District #1	-	605,529	605,529
Leroy Sanitary District #1	196,574	-	196,574
Portland Sanitary District #1	-	622,007	622,007
Village of Brownsville	-	587,866	587,866
Village of Hustisford	-	445,801	445,801
Village of Iron Ridge	-	1,440,700	1,440,700
Village of Kekoskee	661,089	-	661,089
Village of Lomira	1,036,386	10,585,088	11,621,474
Village of Lowell	824,968	1,926,033	2,751,001
Village of Randolph	682,826	2,518,569	3,201,395
Village of Reeseville	257,768	476,528	734,296
Village of Theresa	1,233,228	1,321,622	2,554,850
Door County			
Town of Washington	598,424	59,943	658,367
Village of Egg Harbor	753,606	2,590,754	3,344,360
Village of Ephraim	-	1,629,117	1,629,117
Village of Forestville	-	585,275	585,275
Douglas County			
Brule Sanitary District	-	367,167	367,167
City of Superior	6,324,495	14,403,380	20,727,875

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Douglas County (continued)			
Gordon Sanitary District #1	\$1,050,407	\$394,526	\$1,444,933
Village of Lake Nebagamon	-	1,538,776	1,538,776
Village of Oliver	-	588,000	588,000
Village of Poplar	96,160	224,371	320,531
Dunn County			
City of Menomonie	751,600	20,998,314	21,749,914
Sand Creek SD #1	232,716	135,144	367,860
Village of Boyceville	-	410,943	410,943
Village of Elk Mound	-	419,030	419,030
Village of Knapp	-	668,732	668,732
Village of Wheeler	323,198	36,547	359,745
Eau Claire County			
City of Altoona	355,225	355,225	710,450
City of Augusta	632,667	773,258	1,405,925
City of Eau Claire	-	41,395,988	41,395,988
Village of Fairchild	-	575,000	575,000
Florence County			
Aurora Sanitary District #1	176,678	15,182	191,860
Fond du Lac County			
Calumet Sanitary District #1	3,812,066	505,058	4,317,124
City of Fond du Lac	1,086,738	64,153,394	65,240,132
City of Ripon	-	6,337,088	6,337,088
Consolidated S.D. No. 1	-	155,438	155,438
Oakfield Sanitary District #1	22,000	-	22,000
Village of Campbellsport	-	3,582,768	3,582,768
Village of Fairwater	-	1,554,473	1,554,473
Village of Mount Calvary	106,364	1,429,870	1,536,234
Village of North Fond du Lac	-	2,591,575	2,591,575
Village of Rosendale	995,850	3,608,150	4,604,000
Forest County			
City of Crandon	145,681	1,634,145	1,779,826
Laona Sanitary District #1	-	746,282	746,282
Grant County			
City of Boscobel	-	1,336,536	1,336,536
City of Cuba City	-	2,561,791	2,561,791
City of Lancaster	-	1,688,158	1,688,158
City of Platteville	-	6,558,734	6,558,734
Potosi/Tennyson Sewerage Commission	-	1,543,111	1,543,111
Village of Bagley	-	229,081	229,081
Village of Blue River	466,848	550,374	1,017,222
Village of Cassville	2,866,621	1,599,911	4,466,532
Village of Montfort	357,198	1,612,511	1,969,709
Village of Muscoda	-	897,991	897,991
Village of Potosi	-	291,485	291,485
Village of Tennyson	-	212,217	212,217

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Green County			
City of Brodhead	\$215,977	\$6,982,890	\$7,198,867
City of Monroe	500,000	25,942,131	26,442,131
Village of Albany	216,250	1,015,873	1,232,123
Village of Monticello	3,438,493	6,144,920	9,583,413
Village of New Glarus	-	10,885,368	10,885,368
Green Lake County			
City of Green Lake	-	3,506,719	3,506,719
City of Markesan	1,027,708	2,007,387	3,035,095
City of Princeton	34,800	254,759	289,559
Green Lake Sanitary District	-	8,673,929	8,673,929
Little Green Lake Protection and Rehab. District	-	1,898,268	1,898,268
Iowa County			
City of Dodgeville	618,313	8,452,187	9,070,500
City of Mineral Point	-	6,883,912	6,883,912
Iowa County	-	485,993	485,993
Village of Arena	-	1,485,515	1,485,515
Village of Avoca	200,640	492,401	693,041
Village of Highland	-	824,848	824,848
Village of Linden	-	388,913	388,913
Iron County			
City of Montreal	500,000	1,299,308	1,799,308
Mercer Sanitary District #1	3,983,262	786,709	4,769,971
Jackson County			
City of Black River Falls	-	4,227,766	4,227,766
Hatfield Sanitary District #1	236,535	1,300,617	1,537,152
Ho-Chunk Nation	-	10,562,985	10,562,985
Village of Melrose	749,133	435,622	1,184,755
Village of Merrillan	285,063	363,372	648,435
Jefferson County			
Blue Spring Lake Management District	-	380,000	380,000
City of Fort Atkinson	1,750,000	28,719,473	30,469,473
City of Jefferson	-	7,533,927	7,533,927
City of Lake Mills	-	1,245,823	1,245,823
City of Waterloo	369,932	1,466,056	1,835,988
City of Watertown	-	30,534,659	30,534,659
Town of Ixonia	-	1,339,941	1,339,941
Town of Oakland Sanitary District #1	-	5,767,653	5,767,653
Village of Johnson Creek	665,000	2,156,245	2,821,245
Village of Palmyra	893,115	3,140,791	4,033,906
Juneau County			
City of Elroy	252,487	108,208	360,695
City of Mauston	343,774	3,707,029	4,050,803
City of New Lisbon	728,204	12,973,168	13,701,372
O'Dell's Bay Sanitary District #1	1,008,783	1,428,095	2,436,878

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Juneau County (continued)			
Village of Camp Douglas	-	\$526,091	\$526,091
Village of Lyndon Station	-	614,582	614,582
Village of Necedah	\$116,040	3,078,919	3,194,959
Village of Union Center	696,993	298,711	995,704
Kenosha County			
City of Kenosha	-	33,143,758	33,143,758
Village of Bristol	-	6,363,516	6,363,516
Village of Paddock Lake	824,968	9,370,240	10,195,208
Village of Salem Lakes	2,098,450	42,811,388	44,909,838
Village of Somers	-	5,058,142	5,058,142
Village of Twin Lakes	-	19,762,517	19,762,517
Kewaunee County			
City of Algoma	176,655	5,888,874	6,065,529
City of Kewaunee	-	1,684,316	1,684,316
Village of Luxemburg	-	3,178,375	3,178,375
La Crosse County			
City of La Crosse	1,750,000	65,064,233	66,814,233
City of Onalaska	99,309	-	99,309
Maple Grove Sanitary District	175,745	995,885	1,171,630
St. Joseph's Sanitary District No. 1	-	1,562,042	1,562,042
Town of Farmington Sanitary District	-	1,113,920	1,113,920
Village of Bangor	512,449	3,541,385	4,053,834
Village of Holmen	-	13,081,981	13,081,981
Village of Rockland	-	967,311	967,311
Village of West Salem	-	12,019,338	12,019,338
Lafayette County			
City of Darlington	-	5,429,000	5,429,000
City of Shullsburg	-	686,556	686,556
Village of Argyle	-	1,466,993	1,466,993
Village of Belmont	-	3,905,957	3,905,957
Village of Benton	-	1,100,000	1,100,000
Village of Gratiot	-	723,629	723,629
Village of South Wayne	211,409	1,528,921	1,740,330
Langlade County			
City of Antigo	750,000	4,816,557	5,566,557
Elcho Sanitary District #1	1,934,974	956,093	2,891,067
Lincoln County			
City of Merrill	-	4,044,352	4,044,352
City of Tomahawk	347,582	6,380,393	6,727,975
Manitowoc County			
City of Kiel	-	2,469,987	2,469,987
City of Manitowoc	730,000	32,781,977	33,511,977
City of Two Rivers	4,083,320	19,545,158	23,628,478
Clarks Mills Sanitary District	2,113,193	905,655	3,018,848

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Manitowoc County (continued)			
Rockland Sanitary District #1	\$688,109	\$443,266	\$1,131,375
Village of Cleveland	-	3,609,973	3,609,973
Village of Mishicot	117,041	4,378,724	4,495,765
Village of Reedsville	-	2,768,023	2,768,023
Village of Saint Nazianz	475,153	434,196	909,349
Village of Valders	-	1,537,527	1,537,527
Village of Whitelaw	-	1,494,310	1,494,310
Marathon County			
City of Mosinee	-	1,382,570	1,382,570
City of Wausau	1,750,000	89,923,286	91,673,286
Rib Mountain Metropolitan Sewerage District	-	7,594,719	7,594,719
Village of Athens	-	2,428,846	2,428,846
Village of Edgar	-	554,860	554,860
Village of Maine	-	969,429	969,429
Village of Marathon City	1,017,651	10,619,195	11,636,846
Village of Rothschild	-	427,513	427,513
Village of Spencer	451,453	2,525,797	2,977,250
Village of Stratford	74,572	337,569	412,141
Marinette County			
City of Marinette	336,443	2,057,841	2,394,284
City of Niagara	-	180,905	180,905
City of Peshtigo	232,628	1,575,428	1,808,056
Goodman Sanitary District #1	3,128,932	462,735	3,591,667
Village of Coleman	-	1,224,329	1,224,329
Village of Crivitz	1,028,268	1,725,096	2,753,364
Village of Wausaukee	1,557,225	1,661,964	3,219,189
Marquette County			
City of Montello	-	260,000	260,000
Packwaukee Sanitary District No. 1	894,888	242,465	1,137,353
Village of Westfield	50,202	-	50,202
Milwaukee County			
City of Cudahy	-	885,875	885,875
City of Franklin	-	27,562,754	27,562,754
City of Milwaukee	21,265,108	255,624,354	276,889,462
City of South Milwaukee	597,180	16,959,197	17,556,377
City of West Allis	-	3,652,696	3,652,696
Milwaukee Metropolitan Sewerage District	2,478,441	1,472,408,489	1,474,886,930
Village of Bayside	-	1,611,799	1,611,799
Village of Shorewood	-	2,511,820	2,511,820
Village of Whitefish Bay	-	8,328,641	8,328,641
Monroe County			
City of Sparta	131,591	16,471,878	16,603,469
City of Tomah	-	16,429,641	16,429,641
Village of Kendall	4,913,437	261,352	5,174,789
Village of Melvina	1,396,266	-	1,396,266
Village of Oakdale	406,906	45,212	452,118
Village of Warrens	356,191	4,185,404	4,541,595

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Oconto County			
Brazeau Sanitary District #1	-	\$793,405	\$793,405
City of Gillett	-	2,853,337	2,853,337
City of Oconto	-	3,843,974	3,843,974
City of Oconto Falls	\$824,968	10,270,365	11,095,333
Kelly Lake Sanitary District #1	-	2,438,725	2,438,725
Little Suamico Sanitary District #1	1,296,653	4,199,755	5,496,408
Pensaukee Sanitary District #1	2,985,214	1,279,378	4,264,592
Village of Lena	-	342,586	342,586
Oneida County			
City of Rhinelander	14,388,847	21,098,105	35,486,952
Lake Tomahawk Sanitary District #1	-	1,316,600	1,316,600
Three Lakes Sanitary District #1	2,791,873	1,678,400	4,470,273
Outagamie County			
City of Appleton	471,273	16,473,870	16,945,143
City of Kaukauna	56,394	-	56,394
Dale Sanitary District #1	343,286	748,751	1,092,037
Freedom Sanitary District #1	-	7,320,522	7,320,522
Garners Creek Storm Water Utility	1,110,807	-	1,110,807
Heart of the Valley Metropolitan Sewerage District	-	40,884,163	40,884,163
Town of Buchanan	77,370	-	77,370
Village of Bear Creek	-	431,809	431,809
Village of Black Creek	-	6,656,491	6,656,491
Village of Combined Locks	316,411	116,613	433,024
Village of Greenville	-	2,739,721	2,739,721
Village of Hortonville	-	5,533,330	5,533,330
Village of Little Chute	426,616	426,616	853,232
Ozaukee County			
Village of Belgium	-	4,538,340	4,538,340
Village of Grafton	-	10,008,544	10,008,544
Village of Saukville	1,692,095	15,265,151	16,957,246
Pepin County			
Village of Pepin	-	363,096	363,096
Pierce County			
City of Prescott	-	5,348,532	5,348,532
City of River Falls	-	4,766,364	4,766,364
Village of Bay City	-	1,223,535	1,223,535
Village of Ellsworth	824,968	3,581,598	4,406,566
Village of Plum City	-	1,685,337	1,685,337
Village of Spring Valley	-	120,038	120,038
Polk County			
City of Amery	-	4,131,322	4,131,322
City of Saint Croix Falls	1,107,417	7,762,583	8,870,000
Cushing Sanitary District #1	-	116,391	116,391
Village of Frederic	1,003,424	1,183,030	2,186,454

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Polk County (continued)			
Village of Luck	\$730,000	-	\$730,000
Village of Milltown	-	\$336,697	336,697
Village of Osceola	-	6,420,367	6,420,367
Portage County			
City of Stevens Point	650,000	35,756,559	36,406,559
Village of Almond	-	530,199	530,199
Village of Junction City	-	449,150	449,150
Village of Plover	-	9,427,735	9,427,735
Village of Rosholt	-	662,272	662,272
Price County			
City of Park Falls	1,132,290	4,782,755	5,915,045
City of Phillips	750,000	3,122,277	3,872,277
Ogema Sanitary District #1	-	190,020	190,020
Village of Prentice	-	544,000	544,000
Racine County			
Bohner's Lake Sanitary District #1	-	8,007,212	8,007,212
City of Burlington	369,932	31,700,102	32,070,034
City of Racine	1,550,261	111,917,909	113,468,170
Norway Sanitary District #1	-	6,227,685	6,227,685
Town of Dover	-	1,787,182	1,787,182
Village of Caledonia	369,932	14,522,499	14,892,431
Village of Mount Pleasant	-	80,276,100	80,276,100
Village of Union Grove	-	8,705,940	8,705,940
Village of Waterford	-	1,134,587	1,134,587
Village of Yorkville	-	8,328,882	8,328,882
Western Racine County Sewerage District	-	11,458,830	11,458,830
Richland County			
City of Richland Center	-	10,615,010	10,615,010
Germantown Sanitary District	308,043	34,227	342,270
Hub-Rock Sanitary District No. 1	1,409,058	493,892	1,902,950
Ithaca Sanitary District #1	749,378	411,548	1,160,926
Sextonville Sanitary District	52,500	589,364	641,864
Village of Boaz	980,789	105,675	1,086,464
Village of Viola	234,031	234,030	468,061
Rock County			
City of Beloit	386,864	6,409,127	6,795,991
City of Edgerton	-	7,478,225	7,478,225
City of Evansville	3,450,287	9,245,211	12,695,498
City of Janesville	-	33,704,355	33,704,355
City of Milton	-	4,328,415	4,328,415
Consolidated Koshkonong Sanitary Commission	571,622	12,453,584	13,025,206
Fulton Sanitary District No. 2	1,458,668	210,643	1,669,311
Town of Beloit	557,886	8,789,379	9,347,265
Village of Clinton	-	4,962,444	4,962,444
Village of Footville	-	1,645,467	1,645,467
Village of Orfordville	730,000	891,390	1,621,390

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Rusk County			
City of Ladysmith	\$357,202	\$2,967,114	\$3,324,316
Village of Bruce	-	629,415	629,415
Village of Hawkins	510,919	340,612	851,531
Village of Sheldon	-	292,323	292,323
Village of Tony	144,667	164,578	309,245
Village of Weyerhaeuser	312,375	208,250	520,625
Saint Croix County			
City of Glenwood City	1,020,857	783,932	1,804,789
City of Hudson	-	19,859,081	19,859,081
City of New Richmond	-	7,599,797	7,599,797
Richmond Sanitary District #1	42,196	4,688	46,884
Village of Baldwin	382,791	262,399	645,190
Village of Hammond	-	4,100,924	4,100,924
Village of North Hudson	-	640,849	640,849
Village of Roberts	1,712,585	7,249,215	8,961,800
Village of Somerset	-	2,980,623	2,980,623
Sauk County			
Bluffview Sanitary District	3,007,164	788,785	3,795,949
Christmas Mountain Sanitary District	-	1,658,960	1,658,960
City of Baraboo	450,927	7,859,136	8,310,063
City of Reedsburg	1,150,000	21,160,663	22,310,663
Village of Ironton	1,038,566	106,879	1,145,445
Village of Lake Delton	680,000	28,202,689	28,882,689
Village of North Freedom	234,239	611,109	845,348
Village of Plain	344,784	645,116	989,900
Village of Prairie du Sac	-	205,400	205,400
Village of Rock Springs	116,067	270,822	386,889
Village of Spring Green	-	949,856	949,856
Shawano County			
Caroline Sanitary District	228,778	83,238	312,016
City of Shawano	331,450	3,134,678	3,466,128
Cloverleaf Lakes Sanitary District #1	-	1,021,778	1,021,778
Green Valley Sanitary District #1	280,922	188,042	468,964
Krakov Sanitary District No. 1	-	625,000	625,000
Village of Bowler	-	114,748	114,748
Village of Mattoon	-	398,340	398,340
Wolf Treatment Plant Commission	-	12,847,006	12,847,006
Sheboygan County			
City of Plymouth	-	5,848,472	5,848,472
City of Sheboygan	750,000	24,610,014	25,360,014
Gibbsville Sanitary District	-	1,518,190	1,518,190
Hingham Sanitary District	254,394	979,265	1,233,659
Little Elkhart Lake Rehabilitation District	1,956,230	217,359	2,173,589
Village of Adell	385,387	1,541,529	1,926,916
Village of Adell - Onion River	268,402	720,660	989,061
Village of Cascade	-	1,200,000	1,200,000

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Sheboygan County (continued)			
Village of Cedar Grove	-	\$3,823,284	\$3,823,284
Village of Hingham - Onion River	\$452,244	226,589	678,833
Village of Howards Grove	-	4,868,903	4,868,903
Village of Kohler	-	400,920	400,920
Village of Oostburg	760,967	5,612,988	6,373,955
Village of Random Lake	-	1,919,396	1,919,396
Village of Waldo	-	2,748,294	2,748,294
Taylor County			
Chelsea Sanitary District	80,000	-	80,000
Village of Rib Lake	4,276,932	2,196,188	6,473,120
Village of Stetsonville	-	1,140,962	1,140,962
Westboro Sanitary District #1	227,472	51,136	278,608
Trempealeau County			
City of Arcadia	-	386,792	386,792
City of Blair	30,000	850,970	880,970
City of Galesville	838,095	3,646,582	4,484,677
City of Independence	-	2,844,695	2,844,695
City of Osseo	-	1,575,170	1,575,170
City of Whitehall	315,316	2,125,361	2,440,677
Village of Trempealeau	-	1,558,545	1,558,545
Vernon County			
City of Hillsboro	541,312	3,609,416	4,150,728
City of Viroqua	680,000	5,436,347	6,116,347
City of Westby	-	416,803	416,803
Village of De Soto	304,014	306,780	610,794
Village of Readstown	-	178,000	178,000
Village of Stoddard	-	1,178,353	1,178,353
Vilas County			
City of Eagle River	-	3,562,886	3,562,886
Walworth County			
City of Delavan	-	1,102,089	1,102,089
City of Whitewater	3,557,914	26,582,187	30,140,101
Country Estates Sanitary District	1,364,970	-	1,364,970
Lake Como Sanitary District #1	11,043,667	4,458,713	15,502,380
Lyons Sanitary District #2	-	2,614,169	2,614,169
Pell Lake Sanitary District #1	1,452,302	-	1,452,302
Village of Bloomfield	11,809,242	5,916,867	17,726,109
Village of East Troy	170,067	11,100,452	11,270,519
Village of Fontana	2,026,941	4,812,783	6,839,724
Village of Genoa City	-	4,226,574	4,226,574
Village of Sharon	318,060	2,341,231	2,659,291
Village of Walworth	1,042,629	1,325,851	2,368,480
Walworth County Metropolitan Sewerage District	-	45,160,676	45,160,676
Washburn County			
City of Shell Lake	788,269	766,085	1,554,354

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Washburn County (continued)			
City of Spooner	\$355,488	-	\$355,488
Village of Birchwood	3,437,544	\$758,947	4,196,491
Village of Minong	500,000	595,194	1,095,194
Washington County			
City of Hartford	-	13,168,455	13,168,455
City of West Bend	292,300	-	292,300
Silver Lake Sanitary District	2,398,139	1,063,033	3,461,172
Town of Hartford	2,401,906	741,512	3,143,418
Village of Jackson	-	6,130,258	6,130,258
Village of Kewaskum	-	9,423,144	9,423,144
Village of Newburg	-	1,549,070	1,549,070
Village of Slinger	-	7,007,668	7,007,668
Waukesha County			
Brookfield Sanitary District #4	-	5,749,787	5,749,787
City of Brookfield	1,415,309	36,539,477	37,954,786
City of Delafield	-	1,555,831	1,555,831
City of Oconomowoc	-	5,449,057	5,449,057
City of Pewaukee	-	9,668,692	9,668,692
City of Waukesha	-	244,922,157	244,922,157
Delafield - Hartland Pollution Control Commission	-	10,000,000	10,000,000
Lisbon Sanitary District #1	-	2,848,788	2,848,788
Town of Oconomowoc	-	6,819,232	6,819,232
Village of Dousman	3,744,394	5,969,811	9,714,205
Village of Lannon	8,635,727	3,824,050	12,459,777
Village of Menomonee Falls	-	886,867	886,867
Village of Nashotah	-	285,677	285,677
Village of Pewaukee	-	8,191,015	8,191,015
Village of Summit	-	7,831,586	7,831,586
Village of Sussex	-	18,841,702	18,841,702
Waupaca County			
Chain O'Lakes Sanitary District #1	-	2,081,670	2,081,670
City of Clintonville	356,734	1,471,469	1,828,203
City of Manawa	-	1,408,334	1,408,334
City of Waupaca	-	12,422,741	12,422,741
City of Weyauwega	186,650	9,960,843	10,147,493
Village of Fremont	-	1,866,706	1,866,706
Waushara County			
City of Wautoma	-	3,233,999	3,233,999
Poy Sippi Sanitary District	-	223,000	223,000
Silver Lake Sanitary District-Waushara Cty.	1,541,739	721,862	2,263,601
Village of Hancock	-	150,800	150,800
Village of Redgranite	3,234,393	2,302,822	5,537,215
Winnebago County			
Algoma Sanitary District #1	2,132,660	992,116	3,124,776
Black Wolf Sanitary District #1	-	4,327,485	4,327,485
Butte des Morts Consolidated Sanitary District #1	792,962	2,143,688	2,936,650

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Winnebago County (continued)			
City of Menasha	-	\$5,187,450	\$5,187,450
City of Neenah	\$595,375	1,116,417	1,711,792
City of Omro	141,570	4,312,259	4,453,829
City of Oshkosh	-	34,082,669	34,082,669
Edgewood-Shangri La Sanitary District	-	1,011,312	1,011,312
Fox West Regional Sewerage Commission	15,028,630	27,776,020	42,804,650
Island View Sanitary District	-	2,764,149	2,764,149
Neenah - Menasha Sewerage Commission	-	21,440,310	21,440,310
Neenah Sanitary District #2	1,999,725	1,057,168	3,056,893
Orihula Sanitary District	-	2,521,626	2,521,626
Sunset Point Sanitary District	-	685,894	685,894
Town of Neenah	255,841	-	255,841
Town of Omro	46,181	-	46,181
Village of Fox Crossing	1,827,506	3,486,010	5,313,516
Village of Winneconne	-	1,668,622	1,668,622
Winneconne Sanitary District #3	-	2,078,897	2,078,897
Wood County			
City of Marshfield	-	24,169,823	24,169,823
City of Nekoosa	1,418,689	3,161,128	4,579,817
City of Pittsville	-	2,768,052	2,768,052
City of Wisconsin Rapids	1,223,947	45,663,802	46,887,749
Village of Auburndale	221,714	119,384	341,098
Village of Hewitt	135,000	1,467,188	1,602,188
Village of Port Edwards	-	3,367,924	3,367,924
Village of Rudolph	286,660	-	286,660
Village of Vesper	-	1,724,160	1,724,160
Grand Total	\$339,353,437	\$5,262,803,207	\$5,602,156,644

APPENDIX VI

Safe Drinking Water Loan Program Financial Assistance Agreements as of June 30, 2022

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Adams County			
City of Adams	\$450,469	\$450,468	\$900,937
Town of Rome	-	4,481,197	4,481,197
Ashland County			
City of Ashland	887,919	3,328,766	4,216,685
Glidden Sanitary District	87,877	87,877	175,754
Village of Butternut	733,388	733,388	1,466,776
Barron County			
City of Barron	766,934	1,463,367	2,230,301
City of Chetek	262,478	320,806	583,284
City of Cumberland	1,317,648	3,471,857	4,789,505
City of Rice Lake	420,000	513,332	933,332
Village of Cameron	-	2,421,085	2,421,085
Village of Dallas	500,000	352,046	852,046
Village of Turtle Lake	1,191,996	2,558,951	3,750,947
Bayfield County			
City of Bayfield	1,709,850	1,117,259	2,827,109
Iron River Sanitary District #1	216,505	264,616	481,121
Brown County			
Central Brown County Water Authority	-	12,958,106	12,958,106
City of Green Bay	2,211,635	-	2,211,635
Holland Sanitary District #1	116,719	116,718	233,437
Village of Allouez	-	4,688,269	4,688,269
Village of Hobart	-	1,123,268	1,123,268
Village of Wrightstown	-	8,683,218	8,683,218
Wrightstown Sanitary District #1	-	470,152	470,152
Buffalo County			
City of Fountain City	190,271	443,965	634,236
Village of Cochrane	-	454,324	454,324
Burnett County			
Village of Grantsburg	1,222,981	1,243,422	2,466,403
Village of Siren	438,308	386,883	825,191
Village of Webster	497,628	331,752	829,380
Calumet County			
City of Brillion	-	1,689,997	1,689,997
City of Chilton	-	526,734	526,734
City of New Holstein	530,023	716,604	1,246,627

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Calumet County (continued)			
Forest Junction Sanitary District	-	\$1,254,915	\$1,254,915
Village of Sherwood	\$1,580,380	400,000	1,980,380
Chippewa County			
City of Bloomer	85,049	-	85,049
City of Chippewa Falls	1,470,250	3,728,129	5,198,379
City of Cornell	487,110	1,339,056	1,826,166
City of Stanley	905,041	905,041	1,810,082
Village of Cadott	65,000	-	65,000
Village of Lake Hallie	-	2,516,139	2,516,139
Village of New Auburn	181,617	1,629,664	1,811,281
Clark County			
City of Abbotsford	701,970	-	701,970
City of Colby	1,017,258	1,331,842	2,349,100
City of Greenwood	500,000	2,964,878	3,464,878
City of Loyal	409,764	409,763	819,527
City of Thorp	788,707	2,658,327	3,447,034
Village of Curtiss	778,118	1,474,428	2,252,546
Village of Dorchester	152,793	433,613	586,406
Village of Granton	271,967	184,064	456,031
Village of Withee	1,276,156	1,301,478	2,577,634
Columbia County			
City of Columbus	445,000	-	445,000
City of Portage	-	121,379	121,379
Village of Arlington	-	1,393,583	1,393,583
Village of Cambria	394,900	921,433	1,316,333
Village of Friesland	123,403	609,809	733,212
Village of Rio	210,412	210,411	420,823
Crawford County			
City of Prairie du Chien	-	2,803,236	2,803,236
Village of Eastman	461,853	461,853	923,706
Dane County			
City of Stoughton - Utilities	4,175,032	613,751	4,788,783
City of Sun Prairie	562,500	-	562,500
Village of Belleville	-	1,490,842	1,490,842
Village of Black Earth	187,260	1,061,137	1,248,397
Village of Cambridge	454,530	204,530	659,060
Village of Cottage Grove	-	4,692,948	4,692,948
Village of Cross Plains	-	7,605,029	7,605,029
Village of Dane	-	2,374,556	2,374,556
Village of Deerfield	540,471	540,470	1,080,941
Village of Marshall	114,978	464,539	579,517
Village of Oregon	-	432,818	432,818
Village of Windsor	500,000	554,634	1,054,634
Dodge County			
City of Beaver Dam	243,038	-	243,038
City of Horicon	799,195	2,472,421	3,271,616

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Dodge County (continued)			
City of Juneau	\$75,000	-	\$75,000
City of Mayville	1,755,327	\$2,414,095	4,169,422
Village of Brownsville	-	428,997	428,997
Village of Hustisford	-	1,057,341	1,057,341
Village of Lomira	1,031,815	2,227,965	3,259,780
Village of Randolph	598,651	696,853	1,295,504
Village of Reeseville	279,780	530,176	809,956
Door County			
City of Sturgeon Bay	300,000	-	300,000
Eau Claire County			
City of Altoona	-	490,327	490,327
City of Augusta	500,000	3,276,859	3,776,859
City of Eau Claire	2,297,600	11,174,785	13,472,385
Village of Fairchild	500,000	165,000	665,000
Village of Fall Creek	412,531	1,037,734	1,450,265
Florence County			
Town of Florence	325,000	-	325,000
Fond du Lac County			
City of Fond du Lac	812,000	32,743,990	33,555,990
City of Ripon	100,000	-	100,000
Village of Campbellsport	24,058	1,011,601	1,035,659
Village of North Fond du Lac	190,000	-	190,000
Village of Oakfield	-	2,200,000	2,200,000
Village of Saint Cloud	-	934,679	934,679
Forest County			
City of Crandon	206,906	252,883	459,789
Grant County			
City of Platteville	567,000	-	567,000
Village of Bloomington	442,288	540,573	982,861
Village of Blue River	235,097	374,534	609,631
Village of Cassville	673,264	321,641	994,905
Village of Dickeyville	-	1,078,163	1,078,163
Village of Livingston	104,175	-	104,175
Village of Mount Hope	297,002	386,498	683,500
Village of Muscoda	333,648	222,432	556,080
Village of Tennyson	-	159,914	159,914
Green County			
City of Monroe	300,000	-	300,000
Village of Albany	-	379,770	379,770
Village of Browntown	-	432,523	432,523
Green Lake County			
City of Berlin	540,120	1,181,530	1,721,650
City of Markesan	185,000	1,276,868	1,461,868
City of Princeton	643,175	225,449	868,624

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Iowa County			
City of Mineral Point	\$104,876	\$1,421,928	\$1,526,804
Village of Arena	-	141,195	141,195
Village of Avoca	481,637	-	481,637
Village of Cobb	-	543,815	543,815
Village of Highland	23,374	973,120	996,494
Village of Rewey	-	123,713	123,713
Village of Ridgeway	266,938	622,856	889,794
Iron County			
City of Hurley	417,333	-	417,333
Jackson County			
City of Black River Falls	433,617	549,075	982,692
Village of Alma Center	500,000	1,407,884	1,907,884
Village of Merrilan	327,710	299,593	627,303
Jefferson County			
City of Jefferson	1,212,110	1,173,944	2,386,054
City of Lake Mills	580,000	-	580,000
City of Waterloo	537,041	-	537,041
City of Watertown	694,938	10,757,910	11,452,848
Juneau County			
City of Elroy	842,163	716,301	1,558,464
City of New Lisbon	812,640	1,875,564	2,688,204
Village of Lyndon Station	1,108,638	964,348	2,072,986
Village of Necedah	673,805	1,957,194	2,630,999
Kenosha County			
City of Kenosha	1,950,000	-	1,950,000
Village of Somers	-	4,456,404	4,456,404
La Crosse County			
City of Onalaska	-	3,080,371	3,080,371
Shelby Sanitary District #2	500,000	1,943,652	2,443,652
Village of Bangor	-	2,325,404	2,325,404
Village of Holmen	-	1,365,000	1,365,000
Village of Rockland	-	343,248	343,248
Village of West Salem	-	3,058,893	3,058,893
Lafayette County			
City of Darlington	258,294	258,294	516,588
City of Shullsburg	-	871,155	871,155
Village of Benton	-	601,600	601,600
Village of South Wayne	1,456,993	778,736	2,235,729
Wiota Sanitary District #1	74,096	-	74,096
Langlade County			
City of Antigo	1,055,000	-	1,055,000
Elcho Sanitary District #1	187,734	-	187,734

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Lincoln County			
City of Merrill	\$235,552	\$1,961,565	\$2,197,117
City of Tomahawk	451,956	877,790	1,329,746
Manitowoc County			
City of Kiel	176,453	-	176,453
City of Manitowoc	2,339,494	282,447	2,621,941
City of Two Rivers	2,254,463	8,849,613	11,104,076
Village of Mishicot	-	446,648	446,648
Village of Reedsville	494,106	1,152,912	1,647,018
Village of Saint Nazianz	286,851	669,319	956,170
Marathon County			
City of Mosinee	928,975	2,144,024	3,072,999
City of Schofield	175,000	-	175,000
City of Wausau	1,495,600	44,756,287	46,251,887
Village of Maine	451,289	278,565	729,854
Village of Rothschild	251,280	395,434	646,714
Village of Spencer	164,036	929,532	1,093,568
Village of Stratford	256,867	2,552,660	2,809,527
Marinette County			
City of Marinette	9,613,346	16,618,633	26,231,979
City of Peshtigo	-	5,387,773	5,387,773
Goodman Sanitary District #1	-	611,093	611,093
Village of Wausaukee	500,000	461,412	961,412
Milwaukee County			
City of Cudahy	300,000	-	300,000
City of Glendale	198,692	-	198,692
City of Milwaukee	10,401,226	169,658,786	180,060,012
City of Oak Creek	1,168,538	14,838,704	16,007,242
City of Saint Francis	500,000	-	500,000
City of South Milwaukee	-	14,787,921	14,787,921
City of West Allis	2,152,631	-	2,152,631
Village of Fox Point	31,994	-	31,994
Village of Greendale	-	5,222,022	5,222,022
Village of West Milwaukee	640,025	-	640,025
Village of Whitefish Bay	205,000	-	205,000
Monroe County			
City of Sparta	-	1,229,543	1,229,543
City of Tomah	325,169	5,671,181	5,996,350
Village of Cashton	-	506,780	506,780
Village of Kendall	321,594	214,395	535,989
Village of Warrens	-	583,621	583,621
Oconto County			
City of Gillett	-	1,624,729	1,624,729
City of Oconto Falls	1,459,204	1,758,102	3,217,306
Village of Lena	500,000	2,785,288	3,285,288
Village of Suring	488,403	1,120,741	1,609,144

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Oneida County			
City of Rhinelander	\$500,000	\$10,960,259	\$11,460,259
Three Lakes Sanitary District #1	258,811	670,340	929,151
Outagamie County			
City of Kaukauna	435,038	-	435,038
City of Seymour	181,441	2,156,408	2,337,849
Village of Bear Creek	367,198	448,796	815,994
Village of Greenville	1,219,148	3,212,539	4,431,687
Village of Little Chute	-	1,306,472	1,306,472
Ozaukee County			
City of Port Washington	-	3,403,700	3,403,700
Village of Belgium	-	1,174,954	1,174,954
Village of Fredonia	-	965,235	965,235
Pepin County			
Village of Pepin	337,056	224,704	561,760
Pierce County			
Village of Ellsworth	122,656	286,196	408,852
Village of Elmwood	779,650	-	779,650
Village of Maiden Rock	120,216	280,503	400,719
Village of Spring Valley	324,805	757,877	1,082,682
Polk County			
City of Amery	-	1,066,194	1,066,194
City of Saint Croix Falls	-	1,176,708	1,176,708
Village of Luck	326,933	217,955	544,888
Village of Osceola	149,437	149,437	298,874
Portage County			
City of Stevens Point	1,478,741	12,481,227	13,959,968
Village of Amherst	578,157	578,157	1,156,314
Village of Junction City	903,517	958,339	1,861,856
Village of Plover	-	6,457,003	6,457,003
Village of Whiting	303,297	362,805	666,102
Price County			
City of Park Falls	1,000,000	5,726,965	6,726,965
City of Phillips	500,000	979,891	1,479,891
Racine County			
City of Burlington	385,344	2,940,749	3,326,093
City of Racine	3,491,983	31,192,522	34,684,505
Village of Union Grove	652,175	2,754,302	3,406,477
Richland County			
City of Richland Center	87,166	4,181,564	4,268,730
Village of Cazenovia	328,798	328,798	657,596
Village of Lone Rock	617,829	600,810	1,218,639
Village of Viola	-	399,454	399,454

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Rock County			
City of Edgerton	\$373,410	\$234,605	\$608,015
City of Janesville	2,450,000	3,541,250	5,991,250
City of Milton	550,000	-	550,000
Village of Footville	-	485,135	485,135
Village of Orfordville	-	969,220	969,220
Rusk County			
City of Ladysmith	880,271	6,523,148	7,403,419
Village of Bruce	889,693	616,106	1,505,799
Village of Hawkins	122,270	81,513	203,783
Saint Croix County			
City of Glenwood City	383,895	469,203	853,098
City of Hudson	-	1,866,120	1,866,120
City of New Richmond	59,919	339,538	399,457
Village of Somerset	-	1,141,266	1,141,266
Village of Woodville	273,393	334,147	607,540
Sauk County			
Bluffview Sanitary District	347,299	347,299	694,598
City of Baraboo	349,000	-	349,000
City of Reedsburg	385,164	385,163	770,327
Village of Lake Delton	500,000	6,004,966	6,504,966
Village of Prairie du Sac	176,968	1,592,714	1,769,682
Village of Rock Springs	-	329,322	329,322
Village of West Baraboo	711,491	711,491	1,422,982
Sawyer County			
Village of Radisson	358,625	239,083	597,708
Shawano County			
City of Shawano	1,676,913	1,091,372	2,768,285
Village of Bonduel	45,000	-	45,000
Village of Bowler	235,274	835,854	1,071,128
Village of Gresham	362,307	241,538	603,845
Village of Mattoon	-	229,742	229,742
Sheboygan County			
City of Sheboygan	1,420,000	45,704,048	47,124,048
Village of Cedar Grove	-	576,593	576,593
Village of Elkhart Lake	190,000	-	190,000
Village of Kohler	1,993,565	-	1,993,565
Village of Random Lake	-	809,299	809,299
Taylor County			
Village of Rib Lake	344,360	344,359	688,719
Trempealeau County			
City of Arcadia	500,000	6,485,922	6,985,922
City of Blair	-	2,565,792	2,565,792
City of Osseo	590,896	5,760,622	6,351,518

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Trempealeau County (continued)			
City of Whitehall	\$1,725,990	\$3,514,148	\$5,240,138
Village of Trempealeau	1,417,481	1,417,481	2,834,962
Vernon County			
City of Hillsboro	500,000	492,574	992,574
City of Viroqua	700,000	2,508,677	3,208,677
City of Westby	-	469,197	469,197
Village of Chaseburg	306,689	715,607	1,022,296
Village of Genoa	37,505	37,505	75,010
Village of Ontario	418,270	193,808	612,078
Village of Readstown	15,257	-	15,257
Village of Stoddard	-	837,054	837,054
Vilas County			
City of Eagle River	500,000	-	500,000
Walworth County			
City of Delavan	-	2,739,708	2,739,708
City of Elkhorn	500,000	8,949,114	9,449,114
Village of Fontana	-	1,664,500	1,664,500
Village of Williams Bay	-	884,800	884,800
Washburn County			
City of Shell Lake	-	751,921	751,921
Village of Minong	249,066	249,065	498,131
Washington County			
City of Hartford	100,000	-	100,000
Village of Germantown	971,470	971,470	1,942,940
Waukesha County			
City of Muskego	453,974	453,974	907,948
City of New Berlin	-	3,788,706	3,788,706
City of Oconomowoc	207,500	-	207,500
City of Waukesha	124,178	13,907,351	14,031,529
Village of Eagle	-	2,161,248	2,161,248
Village of Menomonee Falls	1,136,530	-	1,136,530
Village of Mukwonago	-	2,513,797	2,513,797
Waupaca County			
City of Clintonville	854,806	4,136,253	4,991,059
City of Waupaca	443,558	1,022,565	1,466,123
Waushara County			
City of Wautoma	-	3,613,642	3,613,642
Village of Hancock	765,181	539,987	1,305,168
Village of Redgranite	469,359	424,562	893,921
Winnebago County			
Algoma Sanitary District #1	1,324,449	12,872,252	14,196,701
City of Menasha	1,120,206	16,666,331	17,786,537

<u>Municipality</u>	<u>Principal Forgiveness and Grants</u>	<u>Loan</u>	<u>Total Award</u>
Winnebago County (continued)			
City of Neenah	-	\$26,389,967	\$26,389,967
City of Omro	\$433,739	2,130,595	2,564,334
City of Oshkosh	1,080,000	36,321,726	37,401,726
Wood County			
City of Marshfield	1,116,500	-	1,116,500
City of Nekoosa	629,175	5,091,555	5,720,730
City of Pittsville	340,265	1,781,606	2,121,871
City of Wisconsin Rapids	453,000	-	453,000
Village of Biron	<u>-</u>	<u>2,091,776</u>	<u>2,091,776</u>
Grand Total	\$150,645,756	\$876,732,855	\$1,027,378,611